

**INTERNAL REVENUE SERVICE**

**FISCAL YEAR 2006**

**ENFORCEMENT AND SERVICE RESULTS**

**NOVEMBER 20, 2006**

## Enforcement Revenue Collected<sup>1</sup>

(Dollars in Billions)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Collection	\$26.0	\$21.3	\$21.3	\$22.1	\$24.3	\$24.4	\$24.8	\$25.7	\$26.6	\$28.2
Examination <sup>2</sup>	\$10.1	\$12.5	\$10.0	\$10.2	\$7.9	\$7.9	\$10.7	\$14.7	\$17.7	\$17.2
Document Matching <sup>3</sup>	\$1.2	\$1.4	\$1.6	\$1.5	\$1.6	\$1.8	\$2.2	\$2.7	\$3.1	\$3.3
<b>Total</b>	<b>\$37.2</b>	<b>\$35.2</b>	<b>\$32.9</b>	<b>\$33.8</b>	<b>\$33.8</b>	<b>\$34.1</b>	<b>\$37.6</b>	<b>\$43.1</b>	<b>\$47.3</b>	<b>\$48.7</b>

## Staffing for Key Enforcement Occupations<sup>4</sup>

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenue Officers	7,342	6,796	6,516	5,538	5,376	5,502	5,076	5,156	5,249	5,627
Revenue Agents	14,628	13,708	13,085	12,542	12,092	11,743	11,780	11,811	12,192	12,778
Special Agents	3,245	3,045	2,942	2,752	2,735	2,868	2,834	2,778	2,771	2,780
<b>Total</b>	<b>25,215</b>	<b>23,550</b>	<b>22,543</b>	<b>20,832</b>	<b>20,203</b>	<b>20,113</b>	<b>19,691</b>	<b>19,746</b>	<b>20,211</b>	<b>21,185</b>

### Notes:

<sup>1</sup> Enforcement revenue collected in a fiscal year includes tax, interest, and penalties from multiple tax years. Some enforcement activities can take more than a year to close and may generate revenue over several years, so it is generally inappropriate to compare revenue collected in a given fiscal year to the staffing available for that same year.

<sup>2</sup> Includes any revenue collection attributable to IRS Appeals activities.

<sup>3</sup> Includes the Information Reporter Program (IRP) and the Automated Underreporter (AUR) Program.

<sup>4</sup> Enforcement staffing levels presented in Full Time Equivalents (FTE).

## Examination - Individual Return Closures and Coverage Rates

### Total Individual Returns

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
Field	715,615	567,759	384,484	251,108	202,515	205,134	206,457	197,388	247,235	302,959
Correspondence	803,628	625,021	715,789	366,657	529,241	538,747	642,839	810,486	968,073	990,722
<b>Total Examinations</b>	<b>1,519,243</b>	<b>1,192,780</b>	<b>1,100,273</b>	<b>617,765</b>	<b>731,756</b>	<b>743,881</b>	<b>849,296</b>	<b>1,007,874</b>	<b>1,215,308</b>	<b>1,293,681</b>
Returns Filed in Prior CY	118,362,600	120,342,400	122,546,900	124,887,100	127,097,400	129,444,947	130,341,159	130,134,277	130,576,852	132,275,830
Coverage	1.28%	0.99%	0.90%	0.49%	0.58%	0.57%	0.65%	0.77%	0.93%	0.98%

\* FY 2006 results are preliminary. CY = Calendar Year.

## Examination - Individual Return Closures and Coverage Rates

### Income \$1 Million and Higher

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
Field	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,857	7,166	9,312
Correspondence	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,719	5,669	7,703
<b>Total Examinations</b>								<b>9,576</b>	<b>12,835</b>	<b>17,015</b>
Returns Filed in Prior CY								190,372	210,280	270,161
Coverage								5.03%	6.10%	6.30%

### Income \$100,000 and Higher

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
Field	144,414	124,539	94,759	63,217	55,844	64,955	67,439	70,452	84,326	112,484
Correspondence	55,656	39,775	33,639	36,330	35,706	47,308	71,940	95,769	134,882	145,367
<b>Total Examinations</b>	<b>200,070</b>	<b>164,314</b>	<b>128,398</b>	<b>99,547</b>	<b>91,550</b>	<b>112,263</b>	<b>139,379</b>	<b>166,221</b>	<b>219,208</b>	<b>257,851</b>
Returns Filed in Prior CY	7,301,900	8,156,600	9,178,000	10,368,600	11,610,500	13,020,183	13,193,122	13,277,077	13,970,598	15,447,964
Coverage	2.74%	2.01%	1.40%	0.96%	0.79%	0.86%	1.06%	1.25%	1.57%	1.67%

### Income Under \$100,000

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
Field	571,201	443,220	289,725	187,891	146,671	140,179	139,018	126,936	162,909	190,475
Correspondence	747,972	585,246	682,150	330,327	493,535	491,439	570,899	714,717	833,191	845,355
<b>Total Examinations</b>	<b>1,319,173</b>	<b>1,028,466</b>	<b>971,875</b>	<b>518,218</b>	<b>640,206</b>	<b>631,618</b>	<b>709,917</b>	<b>841,653</b>	<b>996,100</b>	<b>1,035,830</b>
Returns Filed in Prior CY	111,060,700	112,185,800	113,368,900	114,518,500	115,486,900	116,424,764	117,148,037	116,857,200	116,606,254	116,827,866
Coverage	1.19%	0.92%	0.86%	0.45%	0.55%	0.54%	0.61%	0.72%	0.85%	0.89%

n/a = not available

\* FY 2006 results are preliminary. CY = Calendar Year.

## Examination - Business Return Closures and Coverage Rates<sup>1</sup>

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
<b>Total Returns Examined</b>	<b>103,004</b>	<b>89,252</b>	<b>67,965</b>	<b>49,574</b>	<b>40,557</b>	<b>40,287</b>	<b>38,299</b>	<b>29,445</b>	<b>47,593</b>	<b>52,223</b>
Returns Filed in Prior CY	6,532,100	6,751,600	6,962,300	7,228,200	7,384,600	7,576,681	7,849,109	8,141,645	8,373,880	8,722,410
Coverage	1.58%	1.32%	0.98%	0.69%	0.55%	0.53%	0.49%	0.36%	0.57%	0.60%

### Small Corporation Returns (Assets Under \$10 Million)

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
Returns Examined	56,323	41,818	28,268	18,623	14,332	14,655	13,608	7,294	17,858	17,871
Returns Filed in Prior CY	2,534,700	2,508,700	2,446,200	2,430,000	2,372,900	2,329,479	2,327,272	2,310,279	2,249,416	2,230,024
Coverage	2.22%	1.67%	1.16%	0.77%	0.60%	0.63%	0.58%	0.32%	0.79%	0.80%

### Large Corporation Returns (Assets \$10 Million and Higher)

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
Returns Examined	12,972	11,830	10,537	9,212	8,718	8,443	7,125	9,523	10,829	10,591
Returns Filed in Prior CY	53,400	55,200	55,300	56,500	57,800	59,602	58,974	56,883	54,091	56,847
Coverage	24.3%	21.4%	19.1%	16.3%	15.1%	14.2%	12.1%	16.7%	20.0%	18.6%

### Subchapter S Returns (Form 1120-S)

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
Returns Examined	23,898	25,522	21,169	15,200	12,437	11,646	9,695	6,402	10,417	13,984
Returns Filed in Prior CY	2,290,900	2,449,900	2,599,800	2,767,000	2,887,100	3,022,589	3,191,108	3,369,122	3,523,934	3,715,249
Coverage	1.04%	1.04%	0.81%	0.55%	0.43%	0.39%	0.30%	0.19%	0.30%	0.38%

### Partnership Returns (Form 1065)

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
Returns Examined	9,811	10,082	7,991	6,539	5,070	5,543	7,871	6,226	8,489	9,777
Returns Filed in Prior CY	1,653,100	1,737,800	1,861,000	1,974,700	2,066,800	2,165,011	2,271,755	2,405,361	2,546,439	2,720,290
Coverage	0.59%	0.58%	0.43%	0.33%	0.25%	0.26%	0.35%	0.26%	0.33%	0.36%

<sup>1</sup> Business Returns include Small and Large Corporation Returns and Subchapter S and Partnership Pass Through Returns.

\* FY 2006 results are preliminary. CY = Calendar Year.

## Examination - Large Corporation Return Closures and Coverage Rates

### Assets \$10 Million and Higher

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
<b>Total Returns Examined</b>	<b>12,972</b>	<b>11,830</b>	<b>10,537</b>	<b>9,212</b>	<b>8,718</b>	<b>8,443</b>	<b>7,125</b>	<b>9,523</b>	<b>10,829</b>	<b>10,591</b>
Returns Filed in Prior CY	53,400	55,200	55,300	56,500	57,800	59,602	58,974	56,883	54,091	56,847
Coverage	24.3%	21.4%	19.1%	16.3%	15.1%	14.2%	12.1%	16.7%	20.0%	18.6%

### By Asset Class

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
<b>\$10 Million - \$50 Million</b>										
Returns Examined	6,129	5,604	4,604	3,628	3,071	2,540	1,987	2,864	3,535	4,218
Coverage	20.1%	18.0%	14.9%	11.7%	9.7%	7.8%	6.2%	9.4%	12.3%	14.2%

### \$50 Million - \$100 Million

Returns Examined	1,548	1,455	1,270	1,145	973	865	782	965	1,148	999
Coverage	19.6%	18.2%	16.5%	14.7%	12.3%	10.7%	9.8%	12.9%	16.4%	13.8%

### \$100 Million - \$250 Million

Returns Examined	1,647	1,490	1,450	1,359	1,369	1,289	1,026	1,308	1,287	1,085
Coverage	22.9%	19.6%	18.8%	17.4%	17.6%	16.0%	12.9%	16.9%	17.5%	14.0%

### \$250 Million and Higher

Returns Examined	3,648	3,281	3,213	3,080	3,305	3,749	3,330	4,386	4,859	4,289
Coverage	46.8%	38.6%	35.7%	31.4%	32.1%	34.4%	29.8%	39.8%	44.1%	35.3%

\* FY 2006 results are preliminary. CY = Calendar Year.

## Examination - Tax Exempt Organization Return Closures

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006*
<b>Total Returns Examined</b>	10,700	10,353	8,611	7,435	5,342	5,278	5,754	5,800	4,953	7,079

\* FY 2006 results are preliminary.

# Collection

## Enforcement Actions

	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Levies	3,659,417	2,503,409	504,403	219,778	674,080	1,283,742	1,680,844	2,029,613	2,743,577	3,742,276
Liens	543,613	382,755	167,867	287,517	426,166	482,509	544,316	534,392	522,887	629,813
Seizures	10,090	2,259	161	74	234	296	399	440	512	590



# Criminal Investigations

## Prosecutions Recommended

By Source	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Tax and Tax Related	1,697	1,636	1,300	999	964	991	1,336	1,439	1,434	1,343
Nontax (illegal)	837	666	659	509	524	483	521	719	658	756
Narcotics	1,283	1,225	1,161	926	847	659	684	879	767	621
<b>Total</b>	<b>3,817</b>	<b>3,527</b>	<b>3,120</b>	<b>2,434</b>	<b>2,335</b>	<b>2,133</b>	<b>2,541</b>	<b>3,037</b>	<b>2,859</b>	<b>2,720</b>

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Overall Conviction Rate</b>	92.9%	91.5%	90.8%	91.5%	90.4%	91.5%	91.5%	92.2%	91.2%	91.5%

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Average Sentence<sup>1</sup></b>	15	16	15	16	18	19	19	21	22	22

<sup>1</sup> Average sentence in months for Tax and Tax Related cases.

# Taxpayer Service

## Electronic Filing (e-File) Rate -- Individual Returns

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
31%	36%	40%	47%	51%	54%

## Toll-Free Assistor Level of Service

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
62%	69%	80%	87%	83%	82%

## Toll-Free Tax Law Accuracy

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
80%	84%	82%	80%	89%	91%

## Toll-Free Customer Satisfaction Rating

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
n/a	n/a	90%	94%	94%	94%

## Web Page Visits on IRS.Gov (in millions)

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
n/a	n/a	102.6	152.7	176.5	193.9

## Online Refund Status Checks through 'Where's My Refund' (in millions)

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
n/a	1.1	12.4	14.9	22.1	24.7