

Individual Income Tax Returns, Preliminary Data, 1989

By Emily Ring*

Adjusted gross income reported on the 112 million individual income tax returns for 1989 was nearly \$3.3 trillion, an increase of 6.8 percent from 1988. Total income tax rose to \$439.4 billion, up 6.4 percent over 1988.

For 1989, there were significant changes in taxable interest, net capital gains, and the child and dependent care credit, in particular. Taxable interest rose sharply by 15.5 percent for 1989, while net capital gains declined 6.2 percent. As a result of more stringent eligibility requirements, the amount reported for the child and dependent care credit declined 35.9 percent.

ADJUSTED GROSS INCOME, TAXABLE INCOME, AND TOTAL INCOME TAX

For 1989, adjusted gross income (AGI) less deficit increased by a greater amount than taxable income, which rose by 6.2 percent from almost \$2.1 trillion to nearly \$2.2 trillion (Figure A). Total income tax increased 6.4 percent from nearly \$413 billion to over \$439 billion. The alternative minimum tax for 1989 fell from \$1.0 billion to \$0.7 billion. This followed a similar decline for 1988.

The alternative minimum tax was created in order to insure that individuals with "tax preferences" had to pay some taxes. The Tax Reform Act of 1986 (TRA) reduced the number of such preferences. As a result, alternative minimum tax declined for the third straight year as tax-

payers adjusted to the reduced number of tax preferences allowed under TRA.

Total income taxes as a percentage of AGI were 13.4 percent for both 1988 and 1989 (Figure B). Average tax rates for most individual income classes fell slightly, but there was a small increase for the \$30,000 under \$50,000 income class. These small changes in average tax rates are in contrast to the more dramatic changes in average tax rates for the same income categories between 1987 and 1988, where, in the three income classes of \$200,000 and higher, average tax rates declined between 2.5 percent and 4.2 percent [1]. The changes that took place between 1987 and 1988 can be attributed to the lowering of the marginal tax rates for upper income levels.

The largest percentage point declines in total tax as a percentage of AGI occurred for those individuals in the two income classes between \$100,000 and \$500,000. In both of these classes, the taxpayers' income tax burden fell 0.5 percentage points from 1988 to 1989. When comparing 1987 to 1988, the largest drop in tax as a percentage of AGI was in the \$500,000 under \$1 million category, where tax as a percentage of AGI decreased 4.2 percentage points.

For 1989, the group in the \$1 million or more income class had the highest average tax rate, 24.7 percent. That rate is over twice the rate for taxpayers in the \$30,000

Figure A.—Adjusted Gross Income, Taxable Income, Total Income Tax, and Alternative Minimum Tax, Tax Years 1988 and 1989

[Number of returns are in thousands—money amounts are in millions of dollars]

| Item | 1988 | | 1989 | | Percentage change in amount |
|--------------------------------------------|-------------------|-------------|-------------------|-------------|-----------------------------|
| | Number of returns | Amount | Number of returns | Amount | |
| | (1) | (2) | (3) | (4) | (5) |
| Adjusted gross income (less deficit) | 109,708 | \$3,083,020 | 112,280 | \$3,291,413 | 6.8% |
| Taxable income | 90,282 | 2,069,967 | 92,581 | 2,198,730 | 6.2 |
| Total income tax | 87,135 | 412,870 | 89,422 | 439,427 | 6.4 |
| Alternative minimum tax | 114 | 1,028 | 107 | 651 | -36.7 |

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Individual Returns/1989

Figure B.—Number of Returns, Adjusted Gross Income (AGI), and Total Income Tax by Size of Adjusted Gross Income, Tax Years 1988 and 1989

[Number of returns are in thousands—money amounts in millions of dollars]

| Tax year, income and tax | Total | Size of adjusted gross income | | | | | | | | | |
|---------------------------------|-------------|-------------------------------|--------------------|-------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-----------------------------|---------------------|
| | | Under \$1 | \$1 under \$10,000 | \$10,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| Tax Year 1989: | | | | | | | | | | | |
| Number of returns..... | 112,280 | 722 | 31,795 | 26,110 | 17,011 | 20,714 | 13,023 | 2,097 | 626 | 121 | 62 |
| AGI..... | \$3,291,413 | \$ -30,505 | \$153,655 | \$383,293 | \$419,729 | \$804,609 | \$857,974 | \$277,814 | \$183,081 | \$82,342 | \$159,422 |
| Total income tax..... | \$439,427 | \$50 | \$4,123 | \$24,686 | \$39,113 | \$89,716 | \$124,416 | \$55,092 | \$42,861 | \$19,996 | \$39,373 |
| Tax as a percentage of AGI..... | 13.4% | (¹) | 2.7% | 6.4% | 9.3% | 11.2% | 14.5% | 19.8% | 23.4% | 24.3% | 24.7% |
| Tax Year 1988: | | | | | | | | | | | |
| Number of returns..... | 109,708 | 835 | 32,451 | 25,476 | 16,797 | 20,221 | 11,425 | 1,778 | 548 | 115 | 62 |
| AGI..... | \$3,083,020 | \$ -41,136 | \$157,526 | \$375,731 | \$414,039 | \$784,426 | \$746,920 | \$236,074 | \$161,915 | \$77,894 | \$169,631 |
| Total income tax..... | \$412,870 | \$109 | \$4,515 | \$24,550 | \$38,640 | \$86,907 | \$110,026 | \$47,837 | \$38,700 | \$19,163 | \$42,423 |
| Tax as a percentage of AGI..... | 13.4% | (¹) | 2.9% | 6.5% | 9.3% | 11.1% | 14.7% | 20.3% | 23.9% | 24.6% | 25.0% |

¹ Less than 0.05 percent

NOTE: Detail may not add to total because of rounding.

under \$50,000 AGI class (11.2 percent), and nearly four times the tax burden of those in the \$10,000 under \$20,000 income class (6.4 percent).

SELECTED SOURCES OF INCOME

Total 'positive income' (i.e., income without regard to losses) [2] rose 5.5 percent for 1989, from nearly \$3.3 trillion to almost \$3.5 trillion (Figure C). Total positive income rose 5.5 percent for 1989, from nearly \$3.3 trillion to almost \$3.5 trillion. This increase was about half as much as it was from 1987 to 1988.

All sources of positive income showed an increase for 1989 (with the exception of net capital gains and net gains from the sales of property other than capital assets). The

largest percentage gains from 1988 to 1989 were Individual Retirement Arrangement (IRA) distributions included in AGI (up 24.3 percent), social security benefits in AGI (up 22.4 percent), and taxable interest (up 15.5 percent). Salaries and wages constituted 71.6 percent of total positive income for 1989, increasing 5.5 percent over 1988. The largest non-wage source of total positive income was taxable interest, which comprised 6.3 percent of the total.

Net capital gains decreased 6.2 percent from \$161.9 billion to \$151.8 billion, and net gains from sales of property other than capital assets decreased 3.8 percent from \$6.3 billion to \$6.0 billion. This decline might stem from decisions by taxpayers to postpone capital gain realizations in anticipation of more favorable future tax treatment

Figure C.—Comparison of Selected Sources of Positive Income, Tax Years 1988 and 1989

[Number of returns are in thousands—money amounts are in millions of dollars]

| Item | 1988 | | 1989 | | Percentage change in amount |
|------------------------------------------------------------|-------------------|--------------------|-------------------|--------------------|-----------------------------|
| | Number of returns | Amount | Number of returns | Amount | |
| | (1) | (2) | (3) | (4) | (5) |
| Total positive income¹ | n.a. | \$3,267,280 | n.a. | \$3,446,298 | 5.5% |
| Salaries and wages..... | 93,257 | 2,337,984 | 95,867 | 2,467,498 | 5.5 |
| Taxable interest..... | 69,421 | 186,982 | 70,089 | 215,921 | 15.5 |
| Dividends..... | 22,903 | 77,330 | 23,136 | 82,124 | 6.2 |
| Business or profession, net income..... | 10,492 | 145,518 | 11,020 | 148,995 | 2.4 |
| Net capital gains..... | 9,679 | 161,875 | 10,686 | 151,831 | -6.2 |
| Net gain, sales of property other than capital assets..... | 961 | 6,280 | 873 | 6,043 | -3.8 |
| Social security benefits in AGI..... | 4,024 | 14,361 | 4,724 | 17,577 | 22.4 |
| Rents and royalties, net income..... | 4,797 | 27,602 | 4,851 | 29,758 | 7.8 |
| Partnership and S Corporation, net income..... | 2,902 | 100,918 | 2,991 | 104,047 | 3.1 |
| Farm net income..... | 992 | 11,241 | 1,029 | 11,625 | 3.4 |
| Unemployment compensation..... | 6,974 | 11,627 | 7,219 | 12,103 | 4.1 |
| Pensions and annuities in AGI..... | 16,481 | 138,786 | 16,985 | 149,430 | 7.7 |
| IRA distributions in AGI..... | 2,645 | 11,118 | 3,008 | 13,815 | 24.3 |
| Other net income..... | 6,092 | 21,633 | 6,141 | 22,744 | 5.1 |

n.a. - not available.

¹ Sources of income shown below represent an incomplete list and do not add to total positive income. "Other net income" represents only data reported on the Form 1040 "other income" line.

that had been outlined in certain proposed legislation. Despite their decline, capital gains included in AGI were still the third largest component of income.

Capital gains (less losses) for Tax Years 1980 through 1989 show a decline for 1989 (Figure D). The 1989 net capital gains (less losses) amount represents only the second time that capital gains declined over this ten year period. The first decline occurred between 1986 and 1987, resulting perhaps from the rescinding of the preferential tax treatment of capital gains by TRA and the consequent acceleration of capital gains realizations into 1986.

LOSSES

Total losses included in AGI declined from \$160.8 billion to \$134.3 billion for 1989 (Figure E). This decrease in net losses was largely due to a continued phasing-in of the limitations on passive losses imposed by TRA [3]. For

Tax Year 1989, 20 percent of passive losses from activities entered into before October 23, 1987, could be used to offset nonpassive income. For 1988, the comparable figure was 40 percent, and for 1987, 65 percent. Prior to 1987, no limitations were in place and such losses were completely deductible. Because of the phase-in provisions, losses from these categories have steadily declined since this rule was enacted. The category "other net loss" which includes deductions for prior-year "net operating losses" for businesses showed a decrease for 1989. Most other sources of net losses experienced more moderate declines. Losses from sales of property other than capital assets actually increased 6.6 percent between 1988 and 1989, from \$4.4 billion to \$4.7 billion.

Based on comparisons between preliminary and final data for prior years, the preliminary data for losses such as partnership and S Corporation net loss and "other net loss" are probably understated. Consequently, the data for partnership and S Corporation net income (less los-

Figure D.—Net Capital Gains (Less Losses) Before and After Exclusion and Limitation of Losses, Tax Years 1980–1989

[Number of returns are in thousands—money amounts are in millions of dollars]

| Tax year | Number of returns | Net capital gains before exclusion ¹ | Percentage change in amount | Net capital gains in AGI ² | Percentage change in amount |
|------------|-------------------|-------------------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
| | (1) | (2) | (3) | (4) | (5) |
| 1980 | 8,988 | \$56,167 | 2.3% | \$29,660 | 4.3% |
| 1981 | 9,557 | 58,682 | 4.5 | 30,819 | 3.9 |
| 1982 | 9,734 | 65,022 | 10.8 | 34,404 | 11.6 |
| 1983 | 10,918 | 97,097 | 44.3 | 49,408 | 43.6 |
| 1984 | 12,448 | 111,387 | 14.7 | 54,519 | 10.3 |
| 1985 | 12,579 | 140,907 | 26.5 | 68,278 | 25.2 |
| 1986 | 15,560 | 295,871 | 110.0 | 132,842 | 94.6 |
| 1987 | 15,468 | 108,467 | -63.4 | 137,402 | 3.4 |
| 1988 | 14,309 | 112,618 | 3.8 | 153,768 | 11.9 |
| 1989 | 14,951 | 102,675 | -8.8 | 144,141 | -6.3 |

¹ Reduced by net losses before limitation. The capital gain exclusion was repealed effective 1987.

² Reduced by net losses after limitation.

Figure E.—Comparison of Net Losses By Type Included in Adjusted Gross Income Reported for Selected Sources, Tax Years 1988 and 1989

[Number of returns are in thousands—money amounts are in millions of dollars]

| Item | 1988 | | 1989 | |
|-------------------------------------------------------------|-------------------|------------------|-------------------|------------------|
| | Number of returns | Amount | Number of returns | Amount |
| | (1) | (2) | (3) | (4) |
| Total net losses ¹ | n.a. | \$160,849 | n.a. | \$134,295 |
| Partnerships and S Corporation, net loss | 2,997 | 43,838 | 2,655 | 31,060 |
| Rents and royalties, net loss | 5,189 | 28,881 | 5,120 | 27,497 |
| Estates and trusts, net loss | 68 | 465 | 79 | 453 |
| Business or profession, net loss | 3,079 | 19,195 | 3,131 | 18,084 |
| Farm net loss | 1,375 | 12,418 | 1,332 | 11,480 |
| Net capital loss ² | 4,631 | 8,106 | 4,266 | 7,689 |
| Net loss, sales of property other than capital assets | 795 | 4,419 | 852 | 4,709 |
| Other net loss | n.a. | 43,527 | n.a. | 33,323 |

¹ The preliminary 1989 data for net losses may be understated. See the Data Sources and Limitations section of this article.

² Includes only the portion of capital losses deducted in calculating AGI.

n.a. - not available.

NOTE: Detail may not add to total because of rounding.

ses) and "other net income" (less losses) are probably overstated (Figure F). For the possible magnitude of this change, see the Data Sources and Limitations section of this article.

STATUTORY ADJUSTMENTS

Statutory adjustments decreased 12.8 percent, from \$28.2 billion for 1988 to \$24.6 billion for 1989 (Figure G). Of the adjustments available to taxpayers in both years, payments to IRA's fell the most, from \$11.9 billion to \$11.0 billion. This decline continues a reduction in deductible contributions to IRA's which began after TRA placed limitations on the extent to which IRA contributions could be deducted as adjustments to income [4].

A large portion of the 12.8 percent decline in statutory adjustments was due to the elimination of the reimbursed employee business expense as an adjustment to income.

These expenses were removed from the "Adjustments to Income" portion of the Form 1040 income tax return because such expenses no longer needed to be included on the employee's Form W-2 (wage and tax withholding statement) if they were accounted for by the employee (since the employer would have already subtracted the expenses from total wages) [5]. In such an instance, it would not be necessary for the individual to adjust income by that amount. For 1988, reimbursed employee business expenses shown as statutory adjustments amounted to \$4.2 billion.

DEDUCTIONS

The number of returns claiming a standard deduction increased by over 3 million for Tax Year 1989 (Figure H). In addition, the number of filers itemizing deductions increased slightly for 1989 after falling substantially for both 1987 and 1988. Despite the minimal increase in the

Figure F.—Comparison of Selected Sources of Adjusted Gross Income (Less Deficit), Tax Years 1988 and 1989

[Number of returns are in thousands—money amounts are in millions of dollars]

| Item | 1988 | | 1989 | | Change in amount ¹ |
|----------------------------------------------------------------------------|-------------------|--------------------|-------------------|--------------------|-------------------------------|
| | Number of returns | Amount | Number of returns | Amount | |
| | (1) | (2) | (3) | (4) | (5) |
| Adjusted gross income (less deficit)¹ | 109,708 | \$3,083,020 | 112,280 | \$3,291,413 | \$208,393 |
| Salaries and wages | 93,257 | 2,337,984 | 95,867 | 2,467,498 | 129,514 |
| Taxable interest | 69,421 | 186,982 | 70,089 | 215,921 | 28,939 |
| Dividends | 22,903 | 77,330 | 23,136 | 82,124 | 4,794 |
| Business or profession, net income (less losses) | 13,571 | 126,323 | 14,151 | 130,911 | 4,588 |
| Net capital gains (less losses) | 14,309 | 153,768 | 14,951 | 144,141 | -9,627 |
| Net gains (less losses), sales of property other than capital assets | 1,756 | 1,860 | 1,725 | 1,334 | -526 |
| Social security benefits in AGI | 4,024 | 14,361 | 4,724 | 17,577 | 3,216 |
| Rents and royalties, net income (less losses) | 9,986 | -1,279 | 9,971 | 2,261 | 3,540 |
| Partnerships and S Corporation, net income (less losses) | 5,899 | 57,080 | 5,647 | 72,987 | 15,907 |
| Estates and trusts net income (less losses) | 597 | 4,094 | 539 | 3,947 | -147 |
| Farm net income (less losses) | 2,368 | -1,177 | 2,361 | 146 | 1,323 |
| Unemployment compensation | 6,974 | 11,627 | 7,219 | 12,103 | 476 |
| Pensions and annuities in AGI | 16,481 | 138,786 | 16,985 | 149,430 | 10,644 |
| IRA distributions in AGI | 2,645 | 11,118 | 3,008 | 13,815 | 2,697 |
| Other net income (less losses) | n.a. | -21,894 | n.a. | -10,579 | 11,315 |

¹ Sources of adjusted gross income shown below represent an incomplete list and do not add to total adjusted gross income. "Other net income" (less losses) represents only data reported on the Form 1040 "other income" line.
n.a. - not available.

Figure G.—Selected Statutory Adjustments, Tax Years 1988 and 1989

[Number of returns are in thousands—money amounts are in millions of dollars]

| Type of adjustment | 1988 | | 1989 | | Percentage change in amount |
|--------------------------------------------|-------------------|-----------------|-------------------|-----------------|-----------------------------|
| | Number of returns | Amount | Number of returns | Amount | |
| | (1) | (2) | (3) | (4) | (5) |
| Total¹ | 10,747 | \$28,202 | 9,930 | \$24,579 | -12.8% |
| Reimbursed employee business expense | 1,394 | 4,247 | N/A | N/A | N/A |
| Payments to an IRA | 6,361 | 11,882 | 5,882 | 10,960 | -7.8 |
| Payments to a Keogh plan | 815 | 6,627 | 827 | 6,348 | -4.2 |
| Alimony paid | 587 | 4,183 | 595 | 4,374 | 4.6 |

¹ Includes adjustments not shown separately.
N/A - Not applicable.

Figure H.— Selected Itemized Deductions and the Standard Deduction, Tax Years 1988 and 1989

[Number of returns are in thousands—money amounts are in millions of dollars]

| Deduction | 1988 | | 1989 | | Percentage change in amount |
|----------------------------------------------|-------------------|------------------|-------------------|------------------|-----------------------------|
| | Number of returns | Amount | Number of returns | Amount | |
| | (1) | (2) | (3) | (4) | |
| Total itemized deductions | 31,903 | \$395,216 | 31,930 | \$424,687 | 7.5% |
| Medical and dental expenses..... | 4,810 | 17,994 | 5,074 | 20,499 | 13.9 |
| Taxes paid..... | 31,328 | 120,628 | 31,384 | 131,410 | 8.9 |
| Interest paid ¹ | 29,631 | 179,738 | 29,391 | 188,411 | 4.8 |
| Home mortgage..... | 25,993 | 149,166 | 26,346 | 167,188 | 12.1 |
| Personal interest..... | 25,839 | 16,281 | 25,000 | 8,008 | -50.8 |
| Contributions..... | 29,111 | 50,949 | 29,163 | 55,329 | 8.6 |
| Casualty or theft losses..... | 133 | 1,236 | 185 | 1,709 | 38.3 |
| Moving expenses..... | 912 | 3,634 | 899 | 3,940 | 8.4 |
| Miscellaneous expenses after limitation..... | 7,444 | 19,408 | 7,433 | 21,438 | 10.5 |
| Other miscellaneous expenses..... | 822 | 1,629 | 697 | 1,951 | 19.8 |
| Standard deduction | 76,472 | 289,564 | 79,627 | 311,186 | 7.5 |

¹Also includes investment interest and deductible "points" not shown separately.

NOTES: Those returns with AGI less than or equal to zero are not included in deduction counts. For this reason, the sum of the number of returns for total itemized deductions and total standard deduction is less than the total number of returns for all filers. Detail may not add to totals because of rounding.

number of returns itemizing, the amount of total itemized deductions increased by 7.5 percent, from \$395.2 billion in 1988 to \$424.7 billion in 1989.

The only itemized deduction to decline significantly was the personal interest deduction, which fell 50.8 percent for 1989 from \$16.3 billion to \$8.0 billion. This change was largely due to a decrease in the percentage of personal interest (i.e., interest on personal loans and credit cards) allowed to be claimed as an itemized deduction. Only 20 percent of such interest could be claimed as an itemized deduction on 1989 returns. This was half of the 40 percent that was allowable for 1988.

After increasing only \$1.3 billion for 1988, contributions deductions for 1989 rose \$4.4 billion to a record \$55.3 billion for 1989. As a result, the average charitable contribution deduction (per return claiming such a deduction) increased 8.4 percent from \$1,750 for 1988 to \$1,897 for 1989. Other itemized deduction amounts showing sizable changes for 1989 were the casualty or theft deduction which increased 38.3 percent, and the deduction for "other miscellaneous expenses" which increased 19.8 percent.

The total standard deduction amount (shown separately at the bottom of Figure H), rose 7.5 percent for 1989, from \$289.6 billion to \$311.2 billion. Total deductions, the sum of the total standard deduction and total itemized deductions, also increased by 7.5 percent, from \$684.8 billion to \$735.9 billion. This helps to explain why taxable income increased by a smaller amount than AGI (less deficit) (Figure A).

TAX CREDITS

Total tax credits decreased 16.0 percent, from \$7.0 billion for 1988 to \$5.9 billion for 1989 (Figure I). This decline was largely attributable to the child and dependent care credit, which dropped by 35.9 percent, from \$3.8 billion for 1988 to \$2.4 billion for 1989. In order to be eligible for the child care credit for 1989, filers were required to supply more detailed taxpayer identification information about the care provider than they had to do for 1988. In addition, a taxpayer's dependent child could qualify only if the child was disabled or under the age of 13. This age cutoff was 2 years younger than the age ceiling for 1988 (see Definitions and Changes in the Law).

Another credit which fell substantially for 1989 was the general business credit. This credit fell for the fourth straight year since a major portion of it, the investment credit, was being phased out by TRA.

The earned income credit used to offset income tax before credits (one part of the total earned income credit) rose 26.0 percent, from \$1.1 billion for 1988 to \$1.4 billion for 1989. The largest portion of the \$6.6 billion total earned income credit was the part that was refunded to individuals who either had no tax or whose income tax (and other taxes, such as self-employment tax) was already offset by their earned income credit. This amount increased from \$4.3 billion for 1988 to \$4.7 billion for 1989. The total amount of both portions of the credit increased by \$0.7 billion, from \$5.9 billion for 1988 to \$6.6 billion for 1989. The total number of returns claiming the earned income credit rose from 4.8 million for 1988 to 5.4 million for 1989, an increase of 12.2 percent (see Definitions and Changes in the Law).

Figure 1.—Selected Tax Credits, Tax Years 1988 and 1989

[Number of returns are in thousands, money amounts are in millions of dollars]

| Tax credit | 1988 | | 1989 | | Percentage change in amount |
|-----------------------------------------|-------------------|----------------|-------------------|----------------|-----------------------------|
| | Number of returns | Amount | Number of returns | Amount | |
| | (1) | (2) | (3) | (4) | (5) |
| Total credits ¹ | 14,099 | \$7,047 | 12,066 | \$5,919 | - 16.0% |
| Child care credit..... | 9,023 | 3,813 | 6,043 | 2,442 | - 35.9 |
| Earned income credit ² | 4,782 | 1,102 | 5,367 | 1,388 | 26.0 |
| Credit for the elderly or disabled..... | 357 | 69 | 326 | 66 | - 4.7 |
| Foreign tax credit..... | 559 | 1,087 | 639 | 1,220 | 12.2 |
| General business credit..... | 364 | 718 | 321 | 534 | -25.6 |
| Credit for prior year minimum tax..... | 26 | 203 | 32 | 199 | - 2.0 |

¹ Includes credits not shown separately.² Represents the portion of the earned income credit that was used to offset income tax before credits. Additional earned income credit amounts were used to offset other taxes and some amounts were paid directly to the taxpayer. The total earned income credit for 1988 was \$5.9 billion (claimed on 11.1 million returns), and for 1989 was \$6.6 billion (claimed on 11.7 million returns).

SUMMARY

For Tax Year 1989, both adjusted gross income and total positive income experienced less than half of the rate of growth that they did for 1988. Statutory adjustments declined 12.8 percent, mostly due to the removal of the employee business expense as an adjustment to income. Itemized deductions increased 7.5 percent, even though the personal interest deduction declined 50.8 percent. Total tax credits fell 16.0 percent mainly because the child and dependent care credit declined 35.9 percent. Total income tax after credits rose by over 6.4 percent, while total tax as a percentage of AGI remained about the same between 1988 and 1989.

DEFINITIONS AND CHANGES IN THE LAW

In general, the definitions of the terms used are the same as those shown in the complete report, *Statistics of Income—1987, Individual Income Tax Returns*.

The following is a partial list of 1989 tax law and Internal Revenue Service administrative changes that are reflected in the preliminary data in this article. Some of the changes for 1989 were a continuation of the phasing out of certain deductions or losses allowed prior to TRA.

- **Child or Dependent Care Credit:** The child and dependent care credit for 1989 changed as follows: a taxpayer's dependent child had to be disabled or under 13 to qualify for the credit (for 1988, the child qualified if he or she was under 15), the child or dependent care provider had to be identified by taxpayer identification number on the filer's return, and the filer had to reduce the dollar limit for work-related expenses by any employer-provided dependent care benefits that could be excluded from income.

- **Parent's Election to Report Child's Interest and Dividend Income:** Beginning with 1989, filers could elect to include their child's interest and dividend income on their own tax return, instead of filing a separate return to report the child's income. The taxpayer was eligible to do so if: the child was under age 14, the child's gross income was from interest and dividends only, the income was between \$500 and \$5,000, no estimated tax payments were made for the tax year in the name and social security number of the child, and none of the child's tax had been deducted and withheld under the "backup withholding" rules.
- **Exemption Requirements:** Taxpayers could not claim an exemption for a child who was 24 years or older at the end of 1989 and had gross income equal to or over the exemption amount (\$2,000 for 1989), even if that child was a student. When this occurred, the child could claim an exemption on his or her own return. Also for 1989, the personal exemption amount increased from \$1,950 to \$2,000.
- **Standard Deduction:** The standard deduction increased slightly for 1989 over 1988, as a result of inflation indexing. For single filers, the standard deduction rose from \$3,000 to \$3,100. Other increases were as follows: from \$5,000 to \$5,200 for those who were married filing jointly or qualifying widow(er)s; from \$2,500 to \$2,600 for those who were married filing separately; and from \$4,400 to \$4,550 for heads of households.
- **Tax Rates:** For 1989, the tax rate schedules contained only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels (\$44,900 if single, \$37,425 if married filing

separately, \$64,200 if head of household, and \$74,850 if married filing jointly or a qualifying widow(er)), was subject to an additional 5 percent tax. The purpose of this was to phase out the benefits of the 15 percent tax rate and the benefits of the deduction for personal exemptions for taxpayers and dependents. The benefits of the 15 percent tax rate bracket were phased out first. They were completely phased out for an individual at varying levels of taxable income according to filing status: \$93,130 for single taxpayers; \$117,895 for those who were married filing separately; \$128,810 for heads of households; and \$155,320 for those who were married filing jointly and qualifying widow(er)s. After the benefits of personal exemptions were also phased out, the individual then paid a 28 percent tax on each additional dollar of taxable income. Despite some taxpayers being subject to a 33 percent marginal rate on some portion of their income, the individuals with the highest incomes reported the highest average tax rates.

- **Earned Income Credit:** If a taxpayer had "earned income" less than \$19,340 and had a child living with him or her for more than half the year, and met all the other requirements for the earned income credit, that filer was entitled to a credit of up to \$910 for 1989. For 1988, the income ceiling for qualifying was \$18,576 and the maximum allowed credit was \$874.

DATA SOURCES AND LIMITATIONS

These preliminary statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ) filed during Calendar Year 1990. Returns in the sample were stratified based on return type (Form 1040, 1040A, or 1040EZ); the presence or absence of specific forms or schedules; and the larger of total positive income or total negative income and the size of business receipts [6,7]. Returns were then selected at rates ranging from 0.02 percent to 100 percent. The preliminary 1989 data are based on a sample of 95,891 returns and an estimated final population of 112,876,634 returns. The corresponding sample and population for the preliminary 1988 data were 94,290 and 110,088,081 returns, respectively. Sample and population sizes for the final 1988 data referenced in this article were 110,634 and 110,088,189, respectively.

Because the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CV's) are used to measure that magnitude.

Approximate coefficients of variation (CV's) for frequency estimates are presented in Figure J. These approximate CV's shown are intended only as a general indication of the reliability of the data. For a number other than those shown, the corresponding CV's can be estimated by interpolation. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the Appendix. While these preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes between January and late September of 1990. In general, returns processed during the remainder of each year tend to have somewhat different characteristics from those processed for the preliminary estimates. The characteristics of these later returns include a larger portion of investment income, and a larger proportion of other items, such as alternative minimum tax.

Figure J.—Estimated Number of Returns for Selected Coefficients of Variation, Tax Year 1989

| Number of returns | Approximate coefficient of variation |
|-------------------|--------------------------------------|
| 17,474,200 | 0.01 |
| 4,368,600 | 0.02 |
| 699,000 | 0.05 |
| 174,700 | 0.10 |
| 43,700 | 0.20 |
| 19,400 | 0.30 |
| 14,300 | 0.35 |
| 7,000 | 0.50 |

Figure K provides a comparison of 1988 preliminary and final data. Figure K shows, for example, that certain items, such as AGI and salaries and wages, which are reported on most returns, changed little between preliminary and final data. This contrasts with other items, such as partnership and S Corporation net losses and the alternative minimum tax, which tend to be understated in all preliminary estimates.

Figure K.—Comparison of Preliminary and Final Data, Tax Year 1988

[Money amounts are in millions of dollars]

| Item | 1988 preliminary data | 1988 final data | Change from preliminary to final data | Percentage change, preliminary to final data |
|--------------------------------------------------|-----------------------------|-----------------------|------------------------------------------------|----------------------------------------------------------|
| | (1) | (2) | (3) | (4) |
| Adjusted gross income (less deficit)..... | \$3,097,302 | \$3,083,020 | \$-14,282 | -0.46% |
| Salaries and wages..... | 2,347,226 | 2,337,984 | -9,242 | -0.39 |
| Sales of capital assets, net gain less loss..... | 152,295 | 153,768 | 1,473 | 0.97 |
| Partnership and S Corporation | | | | |
| Net income..... | 95,718 | 100,918 | 5,200 | 5.43 |
| Net loss..... | 33,118 | 43,838 | 10,720 | 32.37 |
| Other income | | | | |
| Net income..... | 21,239 | 21,633 | 394 | 1.86 |
| Net loss..... | 26,937 | 43,527 | 16,590 | 61.59 |
| Total itemized deductions..... | 388,565 | 395,216 | 6,651 | 1.71 |
| Interest paid deduction..... | 175,148 | 179,738 | 4,590 | 2.62 |
| Total tax credits..... | 6,789 | 7,047 | 258 | 3.80 |
| Total income tax..... | 416,108 | 412,870 | -3,238 | -0.78 |
| Alternative minimum tax..... | 711 | 1,028 | 317 | 44.59 |

NOTES AND REFERENCES

[1] For a comparison of average tax rates by size of AGI for Tax Years 1987 and 1988, see Strudler, Michael and Ring, Emily, "Individual Income Tax Returns, Preliminary Data, 1988," *Statistics of Income Bulletin*, Spring 1990, Volume 9, Number 4.

[2] For the purposes of this article, total positive income was a compilation of all income line items on the tax return (Form 1040, 1040A, or 1040EZ), if the line items were positive. The Form 1040 income tax return entry for Schedule E (supplemental income and loss) was separated into the following components: rent and royalty net income; partnership and S Corporation net income; and estate and trust net income. When any of these subtotals were positive on a return, the corresponding income was included in the statistics for total positive income.

[3] Passive activity losses are losses generated by a trade, business, or rental activity in which the taxpayer did not materially participate (i.e., was not involved on a regular and substantial basis). In general, the passive loss provisions of TRA prevent taxpayers from offsetting nonpassive income with passive losses. The disallowance of passive losses was phased in for losses generated by activities entered into before TRA was enacted. Losses resulting from rental real estate activities were treated like any other passive loss, except that only up to \$25,000 could be used to offset non-passive income such as wages and dividends. However, taxpayers whose AGI exceeded \$100,000 had to

reduce the exception by 50 percent of the amount by which AGI exceeded \$100,000. This rule effectively eliminated the \$25,000 exception completely for individuals with AGI amounts over \$150,000. For further explanation of this change resulting from TRA, see Strudler, Michael and Ring, Emily, "Individual Income Tax Returns, Preliminary Data, 1988," *Statistics of Income Bulletin*, Spring 1990, Volume 9, Number 4, and Nelson, Susan and Petska, Tom, "Partnerships, Passive Losses, and Tax Reform, 1981-1987," *Statistics of Income Bulletin*, Winter 1989-1990, Volume 9, Number 3.

[4] TRA limited or disallowed the IRA contribution deduction for middle and upper-income taxpayers who were covered by a pension plan. For these participants, an IRA contribution was only deductible if AGI fell below certain levels. For more information, see the "Introduction and Changes in the Law" section in *Statistics of Income -- 1987, Individual Income Tax Returns*.

[5] The business reimbursement or allowance amounts are only shown on the employee's W-2 if paid out under a "nonaccountable plan." This term refers to a plan that either (1) does not require the employee to fully account for his or her expenses to the employer, or (2) allows the employee to keep allowances in excess of the amount accounted for. Conversely, if the employee was reimbursed for the exact amount accounted for, the reimbursement would not be listed on the Form W-2, and would neither be included in income nor deducted as an expense on the employee's Schedule A (Itemized Deductions).

- [6] Returns in the sample are stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, Foreign Earned Income; Form 1116, Computation of Foreign Tax Credit; Schedule C, Profit (or Loss) from Business or Profession; or Schedule F, Farm Income and Expenses or Form 4835, Farm Rental Income (or Loss).
- [7] For the purpose of sample selection, total positive income was a compilation of all line items on the individual income tax return that showed positive sources of income while total negative income was the compilation of those line items that showed

negative amounts. The only exception to using the line item amount for this schedule was the Schedule E, Supplemental Income and Loss. Instead of using the total line item amount from the sources of income shown on the face of the tax return, it was separated into the following components: Total Rental and Royalty Income (or Loss); Total Partnership and S Corporation Income (or Loss); Total Estate and Trust Income (or Loss); and Income and Loss from Real Estate Mortgage Investment Conduits. Positive components were added to total positive income and total negative components were added to total negative income.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Size of adjusted gross income | Number of returns | Adjusted gross income less deficit (AGI) | Salaries and wages | | Taxable interest | | Tax-exempt interest ¹ | | Dividends | |
|---------------------------------------|--------------------|------------------------------------------|--------------------|----------------------|-------------------|--------------------|----------------------------------|-------------------|-------------------|-------------------|
| | | | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| All returns, total..... | 112,279,988 | 3,291,413,132 | 95,866,668 | 2,467,497,707 | 70,089,293 | 215,920,904 | 3,767,903 | 38,839,996 | 23,136,383 | 82,123,818 |
| No adjusted gross income..... | 721,525 | -30,505,082 | 269,286 | 4,941,568 | 475,590 | 2,475,079 | 27,161 | 630,999 | 178,281 | 527,304 |
| \$1 under \$5,000..... | 16,761,868 | 41,628,970 | 13,818,195 | 35,202,445 | 6,398,411 | 3,979,955 | 82,728 | 235,537 | 1,328,219 | 1,055,540 |
| \$5,000 under \$10,000..... | 15,032,901 | 112,025,735 | 11,921,068 | 82,114,803 | 6,551,289 | 11,446,751 | 124,617 | 491,883 | 1,601,254 | 2,118,475 |
| \$10,000 under \$15,000..... | 14,348,584 | 178,303,046 | 11,535,627 | 131,618,549 | 7,023,273 | 16,609,471 | 183,210 | 682,251 | 1,674,438 | 3,127,887 |
| \$15,000 under \$20,000..... | 11,761,209 | 204,989,941 | 9,970,454 | 159,770,150 | 6,541,871 | 15,205,816 | 187,884 | 535,767 | 1,685,851 | 3,211,643 |
| \$20,000 under \$25,000..... | 9,361,682 | 209,595,894 | 8,149,724 | 168,765,401 | 5,861,337 | 13,726,142 | 187,753 | 893,439 | 1,538,985 | 3,174,344 |
| \$25,000 under \$30,000..... | 7,649,156 | 210,132,689 | 6,882,695 | 173,610,926 | 5,402,641 | 11,434,398 | 188,270 | 1,184,467 | 1,578,027 | 2,811,467 |
| \$30,000 under \$40,000..... | 12,136,095 | 421,525,845 | 11,059,938 | 352,190,584 | 9,453,694 | 20,592,054 | 424,361 | 2,983,187 | 2,923,329 | 5,796,588 |
| \$40,000 under \$50,000..... | 8,577,458 | 383,083,044 | 7,862,638 | 317,421,356 | 7,369,635 | 18,437,304 | 436,550 | 2,708,615 | 2,661,466 | 5,150,134 |
| \$50,000 under \$75,000..... | 9,978,417 | 598,214,907 | 9,226,996 | 493,802,714 | 9,241,127 | 28,436,966 | 689,491 | 4,600,164 | 4,157,629 | 11,058,701 |
| \$75,000 under \$100,000..... | 3,044,653 | 259,758,935 | 2,725,576 | 195,755,988 | 2,926,352 | 15,961,815 | 435,876 | 3,811,046 | 1,723,564 | 7,374,141 |
| \$100,000 under \$200,000..... | 2,097,490 | 277,814,410 | 1,783,724 | 178,792,424 | 2,040,049 | 20,094,613 | 478,960 | 6,081,724 | 1,428,410 | 10,482,495 |
| \$200,000 under \$500,000..... | 625,710 | 183,081,370 | 511,491 | 98,018,691 | 621,205 | 14,562,876 | 224,489 | 5,886,664 | 495,957 | 9,798,636 |
| \$500,000 under \$1,000,000..... | 121,253 | 82,341,696 | 98,291 | 36,219,143 | 120,964 | 7,768,881 | 59,276 | 3,061,287 | 104,655 | 4,824,831 |
| \$1,000,000 and over..... | 61,987 | 159,421,731 | 50,965 | 39,272,968 | 61,855 | 15,188,785 | 37,278 | 5,052,966 | 56,319 | 11,611,631 |
| Taxable returns, total..... | 89,422,362 | 3,183,367,362 | 77,337,843 | 2,356,566,736 | 62,934,253 | 202,443,848 | 3,573,560 | 37,153,837 | 21,341,426 | 78,924,810 |
| Nontaxable returns, total..... | 22,857,626 | 108,045,770 | 18,528,825 | 110,930,971 | 7,155,040 | 13,477,056 | 1,944,343 | 1,686,159 | 1,794,957 | 3,199,008 |

| Size of adjusted gross income | State income tax refunds | | Alimony received | | Business or profession | | | | Capital gains distributions reported on Form 1040 | |
|---------------------------------------|--------------------------|------------------|-------------------|------------------|------------------------|--------------------|-------------------|-------------------|---------------------------------------------------|------------------|
| | Number of returns | Amount | Number of returns | Amount | Net income | | Net loss | | Number of returns | Amount |
| | | | | | Number of returns | Amount | Number of returns | Amount | | |
| (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) | (20) | |
| All returns, total..... | 16,629,425 | 8,824,447 | 460,097 | 3,550,133 | 11,020,470 | 148,995,296 | 3,130,697 | 18,084,125 | 2,239,115 | 1,652,557 |
| No adjusted gross income..... | 69,966 | 91,642 | 1,931 | 12,202 | 85,128 | 870,427 | 314,661 | 5,751,230 | 10,589 | 4,104 |
| \$1 under \$5,000..... | 121,586 | 33,414 | 20,958 | 61,661 | 913,898 | 2,103,390 | 145,713 | 590,798 | 214,767 | 74,348 |
| \$5,000 under \$10,000..... | 261,861 | 106,029 | 62,052 | 250,000 | 1,197,121 | 6,120,823 | 205,384 | 837,347 | 148,528 | 96,562 |
| \$10,000 under \$15,000..... | 467,739 | 137,847 | 62,356 | 291,275 | 1,104,101 | 7,453,803 | 240,506 | 824,376 | 143,576 | 84,584 |
| \$15,000 under \$20,000..... | 694,840 | 227,182 | 71,183 | 389,286 | 1,024,774 | 8,013,724 | 253,792 | 867,351 | 176,362 | 138,331 |
| \$20,000 under \$25,000..... | 981,275 | 287,318 | 62,641 | 405,075 | 908,600 | 7,723,153 | 223,753 | 899,522 | 159,718 | 134,343 |
| \$25,000 under \$30,000..... | 1,281,335 | 425,289 | 43,579 | 403,937 | 806,904 | 7,171,686 | 219,408 | 777,954 | 192,179 | 153,272 |
| \$30,000 under \$40,000..... | 3,005,494 | 1,003,080 | 58,198 | 484,295 | 1,366,333 | 13,573,277 | 428,293 | 1,514,956 | 308,279 | 195,810 |
| \$40,000 under \$50,000..... | 3,018,665 | 1,119,332 | 35,605 | 596,469 | 1,055,885 | 12,321,008 | 329,720 | 1,050,281 | 263,702 | 205,435 |
| \$50,000 under \$75,000..... | 4,159,480 | 1,772,203 | 22,840 | 243,199 | 1,372,167 | 22,874,338 | 453,051 | 1,778,235 | 380,562 | 240,290 |
| \$75,000 under \$100,000..... | 1,292,483 | 809,888 | 11,892 | 224,639 | 511,894 | 14,326,438 | 147,507 | 846,422 | 135,717 | 126,036 |
| \$100,000 under \$200,000..... | 925,355 | 1,107,172 | 3,048 | 37,204 | 486,642 | 24,517,006 | 112,187 | 889,693 | 81,584 | 168,483 |
| \$200,000 under \$500,000..... | 261,191 | 779,483 | 3,417 | 140,805 | 148,150 | 13,668,541 | 41,563 | 580,831 | 20,603 | 26,408 |
| \$500,000 under \$1,000,000..... | 56,462 | 351,613 | 223 | 4,703 | 25,694 | 4,296,221 | 9,636 | 327,680 | 2,372 | 2,669 |
| \$1,000,000 and over..... | 31,692 | 572,958 | 177 | 5,381 | 13,177 | 3,961,461 | 5,522 | 547,449 | 576 | 1,881 |
| Taxable returns, total..... | 15,914,982 | 8,461,335 | 388,363 | 3,285,168 | 8,759,376 | 137,241,884 | 2,394,288 | 10,203,127 | 2,089,713 | 1,588,400 |
| Nontaxable returns, total..... | 714,443 | 363,112 | 71,733 | 264,965 | 2,261,094 | 11,753,411 | 736,408 | 7,880,998 | 149,402 | 64,156 |

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Size of adjusted gross income | Sales of capital assets reported on Schedule D | | | | Sales of property other than capital assets | | | | Taxable IRA distribution | |
|---------------------------------------|------------------------------------------------|--------------------|-------------------|------------------|---------------------------------------------|------------------|-------------------|------------------|--------------------------|-------------------|
| | Net gain in AGI | | Net loss in AGI | | Net gain in AGI | | Net loss in AGI | | Number of returns | Amount |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | | |
| | (21) | (22) | (23) | (24) | (25) | (26) | (27) | (28) | (29) | (30) |
| All returns, total..... | 8,446,447 | 150,178,210 | 4,265,560 | 7,689,362 | 873,078 | 6,042,991 | 851,699 | 4,708,601 | 3,007,883 | 13,815,200 |
| No adjusted gross income..... | 102,975 | 3,526,666 | 109,535 | 244,262 | 33,587 | 381,518 | 47,479 | 1,587,172 | 15,921 | 140,907 |
| \$1 under \$5,000..... | 325,579 | 565,502 | 190,581 | 261,344 | 18,427 | 96,516 | 34,448 | 134,449 | 65,280 | 164,393 |
| \$5,000 under \$10,000..... | 470,137 | 1,009,607 | 287,439 | 516,324 | 44,058 | 64,249 | 35,953 | 114,419 | 231,216 | 588,566 |
| \$10,000 under \$15,000..... | 483,946 | 1,305,061 | 328,310 | 667,027 | 51,098 | 105,132 | 53,485 | 260,457 | 357,659 | 1,046,971 |
| \$15,000 under \$20,000..... | 576,209 | 1,971,392 | 265,084 | 455,886 | 82,139 | 161,708 | 55,350 | 180,179 | 359,061 | 1,249,977 |
| \$20,000 under \$25,000..... | 532,576 | 2,219,961 | 282,997 | 492,756 | 58,921 | 204,743 | 44,475 | 181,451 | 277,210 | 979,919 |
| \$25,000 under \$30,000..... | 486,329 | 1,875,798 | 255,267 | 439,054 | 65,905 | 238,255 | 53,309 | 86,027 | 247,607 | 909,464 |
| \$30,000 under \$40,000..... | 964,546 | 4,320,999 | 520,920 | 948,352 | 97,649 | 308,331 | 89,436 | 222,182 | 379,564 | 1,535,309 |
| \$40,000 under \$50,000..... | 945,550 | 5,102,562 | 412,361 | 709,353 | 70,676 | 345,810 | 79,548 | 262,458 | 366,275 | 1,467,405 |
| \$50,000 under \$75,000..... | 1,503,704 | 10,882,489 | 774,573 | 1,272,869 | 134,374 | 924,283 | 136,683 | 542,835 | 442,119 | 2,631,524 |
| \$75,000 under \$100,000..... | 780,066 | 9,185,575 | 366,486 | 684,981 | 63,910 | 414,283 | 59,805 | 306,800 | 149,679 | 1,186,123 |
| \$100,000 under \$200,000..... | 809,778 | 19,109,287 | 321,388 | 653,311 | 90,055 | 948,798 | 84,661 | 230,275 | 88,657 | 1,059,147 |
| \$200,000 under \$500,000..... | 339,241 | 22,639,114 | 117,716 | 261,267 | 44,335 | 848,879 | 53,237 | 319,373 | 21,084 | 517,244 |
| \$500,000 under \$1,000,000..... | 79,091 | 14,627,283 | 23,111 | 56,844 | 10,819 | 375,003 | 14,200 | 121,922 | 4,147 | 152,625 |
| \$1,000,000 and over..... | 46,720 | 51,836,914 | 9,793 | 25,732 | 7,124 | 625,485 | 9,631 | 158,603 | 2,404 | 185,628 |
| Taxable returns, total..... | 7,797,629 | 144,333,541 | 3,755,460 | 6,686,969 | 746,560 | 5,240,222 | 722,468 | 2,486,060 | 2,707,989 | 12,897,173 |
| Nontaxable returns, total..... | 648,818 | 5,844,669 | 510,100 | 1,002,392 | 126,518 | 802,769 | 129,231 | 2,222,541 | 299,894 | 918,027 |

| Size of adjusted gross income | Pensions and annuities | | | | Total rental and royalty | | | | Partnership and S Corporation | |
|---------------------------------------|------------------------|--------------------|--------------------------|--------------------|--------------------------|-------------------|-------------------|-------------------|-------------------------------|--------------------|
| | Total | | In adjusted gross income | | Net income | | Net loss | | Net income | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (31) | (32) | (33) | (34) | (35) | (36) | (37) | (38) | (39) | (40) |
| All returns, total..... | 17,819,876 | 198,772,361 | 16,985,119 | 149,429,780 | 4,851,126 | 29,757,654 | 5,119,630 | 27,496,949 | 2,991,135 | 104,046,977 |
| No adjusted gross income..... | 63,124 | 517,147 | 57,615 | 370,148 | 75,690 | 616,929 | 135,628 | 1,973,706 | 41,523 | 539,410 |
| \$1 under \$5,000..... | 587,180 | 1,842,187 | 561,318 | 1,346,965 | 205,120 | 355,121 | 136,072 | 614,233 | 101,240 | 197,152 |
| \$5,000 under \$10,000..... | 2,046,284 | 9,516,017 | 2,011,766 | 8,705,634 | 436,551 | 1,075,292 | 232,011 | 958,635 | 137,465 | 431,290 |
| \$10,000 under \$15,000..... | 2,540,604 | 16,707,757 | 2,489,565 | 15,285,480 | 448,679 | 1,404,792 | 314,941 | 1,172,663 | 161,782 | 918,857 |
| \$15,000 under \$20,000..... | 1,969,297 | 17,099,580 | 1,937,193 | 15,506,260 | 462,542 | 1,352,883 | 332,264 | 1,417,694 | 158,733 | 957,921 |
| \$20,000 under \$25,000..... | 1,576,457 | 15,350,248 | 1,519,752 | 13,335,084 | 339,209 | 1,291,412 | 323,802 | 1,495,863 | 120,492 | 732,248 |
| \$25,000 under \$30,000..... | 1,319,917 | 14,162,967 | 1,264,344 | 11,892,517 | 306,195 | 1,067,674 | 415,784 | 1,835,255 | 159,737 | 1,094,158 |
| \$30,000 under \$40,000..... | 2,205,658 | 23,537,475 | 2,106,371 | 20,241,903 | 603,677 | 2,048,739 | 671,077 | 2,966,222 | 303,412 | 2,659,731 |
| \$40,000 under \$50,000..... | 1,829,243 | 21,083,823 | 1,728,940 | 17,148,747 | 482,484 | 2,170,726 | 599,120 | 2,760,294 | 310,811 | 2,755,673 |
| \$50,000 under \$75,000..... | 2,192,679 | 32,797,351 | 2,000,610 | 21,813,592 | 652,924 | 3,582,458 | 999,989 | 5,670,598 | 490,069 | 6,456,384 |
| \$75,000 under \$100,000..... | 780,199 | 14,336,733 | 713,098 | 10,330,255 | 327,380 | 2,706,594 | 413,841 | 2,598,608 | 297,699 | 5,937,082 |
| \$100,000 under \$200,000..... | 513,193 | 15,998,402 | 444,766 | 8,305,437 | 310,772 | 4,347,718 | 380,793 | 2,375,986 | 402,223 | 15,344,305 |
| \$200,000 under \$500,000..... | 147,906 | 8,858,424 | 113,210 | 2,645,061 | 144,298 | 3,979,176 | 123,920 | 920,892 | 219,414 | 20,463,332 |
| \$500,000 under \$1,000,000..... | 32,129 | 3,835,418 | 24,080 | 1,216,571 | 34,388 | 1,697,615 | 27,989 | 417,511 | 53,810 | 12,527,461 |
| \$1,000,000 and over..... | 16,006 | 3,128,834 | 12,489 | 1,286,126 | 21,215 | 2,060,525 | 12,400 | 318,790 | 32,724 | 33,031,976 |
| Taxable returns, total..... | 15,723,338 | 188,559,025 | 14,955,707 | 140,842,834 | 4,207,209 | 27,606,433 | 4,533,562 | 22,964,251 | 2,744,134 | 102,651,619 |
| Nontaxable returns, total..... | 2,096,539 | 10,213,336 | 2,029,412 | 8,586,946 | 643,916 | 2,151,221 | 586,068 | 4,532,698 | 247,001 | 1,395,358 |

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Size of adjusted gross income | Partnership and S Corporation—Continued | | Estate and trust | | | | Farm | | | |
|---------------------------------------|-----------------------------------------|-------------------|-------------------|------------------|-------------------|----------------|-------------------|-------------------|-------------------|-------------------|
| | Net loss | | Net income | | Net loss | | Net income | | Net loss | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (41) | (42) | (43) | (44) | (45) | (46) | (47) | (48) | (49) | (50) |
| All returns, total..... | 2,655,372 | 31,060,227 | 460,576 | 4,400,362 | 78,744 | 453,070 | 1,029,050 | 11,625,384 | 1,331,965 | 11,479,787 |
| No adjusted gross income..... | 119,924 | 9,982,581 | 8,984 | 70,241 | 2,311 | 108,852 | 32,235 | 432,222 | 93,710 | 2,573,964 |
| \$1 under \$5,000..... | 72,875 | 403,005 | 27,098 | 80,838 | *5,565 | *12,370 | 85,491 | 176,368 | 81,443 | 601,627 |
| \$5,000 under \$10,000..... | 93,371 | 649,224 | 41,619 | 126,819 | *5,990 | *11,455 | 115,317 | 408,991 | 96,445 | 606,377 |
| \$10,000 under \$15,000..... | 79,345 | 317,617 | 44,381 | 124,397 | *7,090 | *31,709 | 111,648 | 651,964 | 126,620 | 570,929 |
| \$15,000 under \$20,000..... | 146,572 | 631,507 | 24,901 | 99,919 | *4,784 | *5,455 | 104,189 | 621,083 | 123,238 | 830,780 |
| \$20,000 under \$25,000..... | 127,667 | 774,538 | 25,150 | 93,327 | *5,214 | *7,555 | 92,630 | 791,369 | 121,398 | 706,578 |
| \$25,000 under \$30,000..... | 129,270 | 597,349 | 29,095 | 112,971 | *1,471 | *3,114 | 90,921 | 786,668 | 115,691 | 659,181 |
| \$30,000 under \$40,000..... | 272,348 | 1,148,061 | 47,173 | 207,473 | *4,454 | *26,095 | 129,226 | 1,516,539 | 178,600 | 1,022,548 |
| \$40,000 under \$50,000..... | 243,751 | 1,081,871 | 26,019 | 50,048 | *9,816 | *10,663 | 104,519 | 1,575,814 | 135,149 | 812,171 |
| \$50,000 under \$75,000..... | 472,689 | 1,949,814 | 60,723 | 264,688 | *9,055 | *96,988 | 97,676 | 1,778,356 | 137,405 | 790,546 |
| \$75,000 under \$100,000..... | 282,559 | 1,493,640 | 45,343 | 344,841 | *2,524 | *9,745 | 27,351 | 853,553 | 48,522 | 433,321 |
| \$100,000 under \$200,000..... | 378,659 | 3,332,813 | 43,268 | 609,152 | 10,123 | 46,707 | 25,423 | 1,209,626 | 46,142 | 761,411 |
| \$200,000 under \$500,000..... | 178,336 | 3,642,982 | 25,075 | 583,603 | 6,676 | 26,741 | 9,287 | 427,279 | 19,947 | 510,080 |
| \$500,000 under \$1,000,000..... | 38,731 | 1,966,859 | 7,233 | 464,735 | 2,406 | 28,705 | 1,836 | 197,986 | 4,688 | 248,851 |
| \$1,000,000 and over..... | 19,277 | 3,088,366 | 4,516 | 1,167,308 | 1,263 | 26,916 | 1,302 | 197,566 | 2,968 | 351,423 |
| Taxable returns, total..... | 2,346,000 | 18,993,051 | 423,381 | 4,226,654 | 68,319 | 315,429 | 782,582 | 10,096,152 | 1,017,375 | 7,346,522 |
| Nontaxable returns, total..... | 309,372 | 12,067,175 | 37,195 | 173,708 | 10,425 | 137,641 | 246,468 | 1,529,233 | 314,590 | 4,133,265 |

| Size of adjusted gross income | Unemployment compensation in adjusted gross income | | Social security benefits | | | | Statutory adjustments | | | |
|---------------------------------------|----------------------------------------------------|-------------------|--------------------------|-------------------|--------------------------|-------------------|-----------------------|-------------------|----------------------|------------------|
| | | | Total | | In adjusted gross income | | Total | | Primary IRA payments | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (51) | (52) | (53) | (54) | (55) | (56) | (57) | (58) | (59) | (60) |
| All returns, total..... | 7,218,544 | 12,102,695 | 10,507,974 | 92,763,233 | 4,723,734 | 17,576,516 | 9,930,468 | 24,578,569 | 5,323,824 | 7,888,869 |
| No adjusted gross income..... | 15,478 | 36,154 | 78,851 | 644,818 | 2,990 | 13,411 | 71,901 | 186,583 | 14,514 | 22,750 |
| \$1 under \$5,000..... | 338,785 | 355,285 | 685,652 | 4,983,564 | *4,256 | *10,351 | 208,828 | 250,463 | 69,409 | 102,981 |
| \$5,000 under \$10,000..... | 1,050,310 | 1,481,988 | 1,609,007 | 13,011,046 | 20,898 | 66,773 | 557,346 | 617,238 | 214,765 | 310,174 |
| \$10,000 under \$15,000..... | 1,188,009 | 2,081,388 | 1,610,633 | 14,267,248 | 15,129 | 56,171 | 760,085 | 980,137 | 383,852 | 549,175 |
| \$15,000 under \$20,000..... | 878,219 | 1,445,715 | 1,104,675 | 9,648,576 | 34,213 | 35,325 | 885,314 | 1,310,717 | 492,134 | 747,322 |
| \$20,000 under \$25,000..... | 732,451 | 1,350,699 | 859,410 | 7,520,901 | 278,319 | 298,507 | 958,920 | 1,596,114 | 615,604 | 928,579 |
| \$25,000 under \$30,000..... | 601,705 | 1,144,058 | 743,332 | 6,671,815 | 563,755 | 900,293 | 1,003,469 | 1,741,268 | 658,398 | 957,741 |
| \$30,000 under \$40,000..... | 1,074,195 | 1,788,400 | 1,227,751 | 10,283,888 | 1,215,512 | 3,500,745 | 1,746,180 | 3,291,418 | 1,120,255 | 1,618,461 |
| \$40,000 under \$50,000..... | 649,141 | 1,142,739 | 934,099 | 8,407,709 | 934,099 | 4,040,317 | 1,339,640 | 2,344,600 | 859,253 | 1,012,433 |
| \$50,000 under \$75,000..... | 546,505 | 986,311 | 890,210 | 8,844,538 | 890,210 | 4,415,061 | 1,077,318 | 3,207,492 | 430,777 | 752,293 |
| \$75,000 under \$100,000..... | 99,384 | 177,106 | 359,511 | 3,614,699 | 359,511 | 1,807,273 | 529,729 | 2,088,726 | 207,546 | 385,089 |
| \$100,000 under \$200,000..... | 36,794 | 87,635 | 281,436 | 3,263,370 | 281,436 | 1,631,620 | 533,724 | 3,733,748 | 182,991 | 357,049 |
| \$200,000 under \$500,000..... | 6,889 | 23,072 | 90,881 | 1,137,747 | 90,881 | 569,019 | 197,695 | 2,320,775 | 58,828 | 112,382 |
| \$500,000 under \$1,000,000..... | 466 | 1,387 | 20,909 | 293,759 | 20,909 | 146,875 | 39,897 | 578,479 | 10,002 | 19,446 |
| \$1,000,000 and over..... | 212 | 756 | 11,615 | 169,553 | 11,615 | 84,774 | 20,423 | 330,809 | 5,496 | 10,993 |
| Taxable returns, total..... | 5,792,981 | 9,945,038 | 8,707,387 | 77,431,668 | 4,668,428 | 17,374,253 | 9,163,282 | 23,611,389 | 5,113,025 | 7,594,447 |
| Nontaxable returns, total..... | 1,425,563 | 2,157,657 | 1,800,587 | 15,331,565 | 55,305 | 202,263 | 767,185 | 967,180 | 210,799 | 292,421 |

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Size of adjusted gross income | Statutory adjustments—Continued | | | | | | Basic standard deduction | | Additional standard deduction | |
|---------------------------------------|---------------------------------|------------------|--------------------------|------------------|-------------------|------------------|--------------------------|--------------------|-------------------------------|------------------|
| | Secondary IRA payments | | Payments to a Keogh plan | | Alimony paid | | Number of returns | Amount | Number of returns | Amount |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | | | | |
| | (61) | (62) | (63) | (64) | (65) | (66) | (67) | (68) | (69) | (70) |
| All returns, total..... | 2,409,826 | 3,073,146 | 826,969 | 6,348,332 | 594,644 | 4,374,008 | 79,826,854 | 301,652,139 | 10,650,900 | 9,533,509 |
| No adjusted gross income..... | 5,562 | 5,257 | 584 | 3,505 | 8,358 | 84,467 | — | — | — | — |
| \$1 under \$5,000..... | *6,646 | *11,210 | *2,148 | *746 | *12,231 | *85,213 | 16,612,038 | 44,192,589 | 830,981 | 696,323 |
| \$5,000 under \$10,000..... | 32,445 | 31,663 | 12,747 | 9,759 | 16,652 | 57,425 | 14,420,909 | 52,807,119 | 2,483,576 | 2,114,808 |
| \$10,000 under \$15,000..... | 82,480 | 111,580 | 13,948 | 21,516 | 28,639 | 127,946 | 13,291,005 | 51,779,152 | 2,415,597 | 2,195,190 |
| \$15,000 under \$20,000..... | 132,361 | 167,225 | 20,028 | 32,666 | 36,017 | 157,511 | 10,270,873 | 40,907,584 | 1,572,322 | 1,425,515 |
| \$20,000 under \$25,000..... | 152,524 | 211,634 | 24,512 | 66,891 | 40,156 | 179,833 | 7,410,595 | 30,907,501 | 976,366 | 898,868 |
| \$25,000 under \$30,000..... | 240,588 | 336,872 | 34,523 | 76,242 | 51,295 | 226,625 | 5,342,114 | 23,120,500 | 601,290 | 557,290 |
| \$30,000 under \$40,000..... | 547,085 | 671,249 | 66,756 | 190,360 | 83,894 | 406,082 | 6,763,637 | 30,913,112 | 728,436 | 650,869 |
| \$40,000 under \$50,000..... | 525,062 | 529,312 | 76,393 | 233,829 | 60,952 | 268,514 | 3,162,424 | 15,343,592 | 517,848 | 482,608 |
| \$50,000 under \$75,000..... | 296,991 | 410,397 | 180,408 | 836,321 | 98,082 | 678,912 | 1,959,436 | 9,739,709 | 385,082 | 375,630 |
| \$75,000 under \$100,000..... | 172,482 | 253,074 | 112,841 | 716,923 | 73,317 | 553,641 | 256,802 | 1,280,448 | 85,011 | 81,944 |
| \$100,000 under \$200,000..... | 153,180 | 235,549 | 184,988 | 2,209,299 | 51,286 | 660,352 | 118,096 | 571,214 | 47,579 | 47,880 |
| \$200,000 under \$500,000..... | 50,393 | 80,330 | 77,344 | 1,514,382 | 24,009 | 514,158 | 16,107 | 76,738 | 5,814 | 5,528 |
| \$500,000 under \$1,000,000..... | 7,819 | 11,315 | 14,096 | 309,100 | 6,084 | 202,061 | 2,105 | 9,719 | 784 | 841 |
| \$1,000,000 and over..... | 4,205 | 6,482 | 5,654 | 126,792 | 3,672 | 171,270 | 713 | 3,160 | 213 | 214 |
| Taxable returns, total..... | 2,327,449 | 2,984,951 | 809,797 | 6,324,771 | 561,267 | 4,129,194 | 58,966,583 | 224,375,089 | 8,453,974 | 7,521,563 |
| Nontaxable returns, total..... | 82,377 | 88,196 | 17,172 | 23,560 | 33,377 | 244,814 | 20,860,271 | 77,277,051 | 2,196,926 | 2,011,946 |

| Size of adjusted gross income | Itemized deductions | | | | | | | | | |
|---------------------------------------|---------------------|--------------------|--------------------------------------|-------------------|----------------------|--------------------|-------------------------|--------------------|-------------------------|-------------------|
| | Total | | Medical and dental expense deduction | | Taxes paid deduction | | Interest paid deduction | | Contributions deduction | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (71) | (72) | (73) | (74) | (75) | (76) | (77) | (78) | (79) | (80) |
| All returns, total..... | 31,930,074 | 424,686,913 | 5,074,083 | 20,498,643 | 31,383,714 | 131,409,531 | 29,391,090 | 188,411,379 | 29,162,820 | 55,328,974 |
| No adjusted gross income..... | — | — | — | — | — | — | — | — | — | — |
| \$1 under \$5,000..... | 148,297 | 1,359,165 | 94,540 | 560,694 | 125,043 | 168,681 | 107,525 | 524,439 | 93,309 | 39,726 |
| \$5,000 under \$10,000..... | 611,991 | 5,202,828 | 392,981 | 2,255,225 | 513,007 | 644,981 | 412,958 | 1,690,771 | 432,008 | 359,524 |
| \$10,000 under \$15,000..... | 1,057,579 | 8,777,202 | 604,390 | 2,865,332 | 959,878 | 1,294,264 | 794,763 | 2,962,922 | 816,598 | 902,267 |
| \$15,000 under \$20,000..... | 1,490,337 | 11,888,671 | 664,808 | 2,547,091 | 1,422,950 | 2,079,201 | 1,260,548 | 5,006,559 | 1,267,050 | 1,383,488 |
| \$20,000 under \$25,000..... | 1,951,087 | 15,827,850 | 650,308 | 2,186,977 | 1,891,383 | 3,192,760 | 1,728,469 | 7,074,104 | 1,678,485 | 1,978,537 |
| \$25,000 under \$30,000..... | 2,307,042 | 19,286,474 | 548,818 | 1,716,723 | 2,251,680 | 4,446,997 | 2,134,916 | 9,210,997 | 2,023,207 | 2,243,169 |
| \$30,000 under \$40,000..... | 5,372,458 | 48,920,334 | 856,798 | 2,441,121 | 5,324,659 | 12,467,907 | 5,049,093 | 24,676,507 | 4,826,934 | 5,714,321 |
| \$40,000 under \$50,000..... | 5,415,034 | 56,206,164 | 578,854 | 2,052,826 | 5,377,252 | 15,847,253 | 5,134,525 | 27,726,464 | 5,010,984 | 6,602,174 |
| \$50,000 under \$75,000..... | 8,018,981 | 100,972,341 | 514,934 | 2,426,648 | 7,979,744 | 31,466,775 | 7,680,220 | 48,161,066 | 7,655,998 | 12,301,222 |
| \$75,000 under \$100,000..... | 2,787,851 | 47,850,083 | 110,190 | 710,525 | 2,778,227 | 15,871,679 | 2,592,807 | 22,120,364 | 2,686,553 | 5,664,125 |
| \$100,000 under \$200,000..... | 1,979,394 | 50,558,407 | 48,105 | 485,366 | 1,973,411 | 17,800,285 | 1,799,522 | 21,864,059 | 1,906,884 | 6,734,795 |
| \$200,000 under \$500,000..... | 609,603 | 28,769,050 | 8,200 | 197,898 | 606,931 | 11,923,018 | 539,302 | 10,706,567 | 589,286 | 4,250,805 |
| \$500,000 under \$1,000,000..... | 119,147 | 10,839,248 | 958 | 38,853 | 118,656 | 5,161,354 | 103,823 | 3,092,672 | 115,581 | 2,123,684 |
| \$1,000,000 and over..... | 61,272 | 18,229,095 | 201 | 13,362 | 60,893 | 9,044,375 | 52,617 | 3,593,889 | 59,945 | 5,031,135 |
| Taxable returns, total..... | 30,450,048 | 402,033,999 | 4,147,678 | 12,839,928 | 30,100,986 | 128,824,048 | 28,262,710 | 179,523,915 | 28,082,651 | 53,876,638 |
| Nontaxable returns, total..... | 1,480,026 | 22,652,915 | 926,405 | 7,658,715 | 1,282,728 | 2,585,483 | 1,128,380 | 8,887,464 | 1,080,169 | 1,452,336 |

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Size of adjusted gross income | Itemized deductions—Continued | | | | | | Exemptions | | Taxable income | |
|---------------------------------------|-------------------------------|------------------|--------------------------------------|-------------------|--------------------------------|------------------|----------------------|--------------------|-------------------|----------------------|
| | Moving expenses | | Net limited miscellaneous deductions | | Other miscellaneous deductions | | Number of exemptions | Amount | Number of returns | Amount |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | | | | |
| | (81) | (82) | (83) | (84) | (85) | (86) | (87) | (88) | (89) | (90) |
| All returns, total..... | 898,825 | 3,939,617 | 7,432,546 | 21,438,391 | 696,767 | 1,951,090 | 224,208,434 | 448,100,195 | 92,581,269 | 2,198,730,116 |
| No adjusted gross income..... | — | — | — | — | — | — | 1,400,374 | 2,788,088 | — | — |
| \$1 under \$5,000..... | — | — | 52,124 | 32,322 | 3,068 | 3,462 | 12,934,955 | 25,832,328 | 5,071,946 | 3,414,288 |
| \$5,000 under \$10,000..... | 7,463 | 19,351 | 121,256 | 182,209 | 11,732 | 15,077 | 22,274,063 | 44,494,059 | 9,853,223 | 23,992,070 |
| \$10,000 under \$15,000..... | 25,564 | 78,931 | 205,668 | 484,068 | 28,988 | 62,538 | 25,564,532 | 51,092,630 | 12,752,407 | 68,775,694 |
| \$15,000 under \$20,000..... | 23,376 | 66,239 | 328,785 | 610,392 | 35,074 | 40,785 | 22,318,734 | 44,601,155 | 11,485,631 | 107,334,612 |
| \$20,000 under \$25,000..... | 59,123 | 131,118 | 534,350 | 1,123,064 | 44,262 | 72,215 | 19,813,381 | 39,597,733 | 9,255,027 | 122,822,787 |
| \$25,000 under \$30,000..... | 57,843 | 192,088 | 557,104 | 1,229,736 | 53,256 | 119,384 | 17,388,102 | 34,755,032 | 7,599,715 | 132,712,747 |
| \$30,000 under \$40,000..... | 137,479 | 406,929 | 1,390,820 | 2,824,103 | 93,718 | 154,357 | 31,020,096 | 62,007,274 | 12,100,409 | 279,440,690 |
| \$40,000 under \$50,000..... | 122,815 | 393,680 | 1,237,220 | 2,872,524 | 141,806 | 258,065 | 24,268,359 | 48,512,699 | 8,554,182 | 262,904,579 |
| \$50,000 under \$75,000..... | 217,348 | 937,821 | 1,847,562 | 5,075,998 | 180,427 | 374,340 | 29,739,583 | 59,461,095 | 9,964,618 | 427,835,858 |
| \$75,000 under \$100,000..... | 129,804 | 841,391 | 627,493 | 2,503,627 | 45,318 | 79,685 | 8,931,463 | 17,857,494 | 3,041,704 | 192,722,378 |
| \$100,000 under \$200,000..... | 95,849 | 675,024 | 405,923 | 2,556,482 | 41,690 | 315,499 | 6,193,834 | 12,380,890 | 2,094,566 | 214,377,898 |
| \$200,000 under \$500,000..... | 18,879 | 165,564 | 106,804 | 1,191,858 | 13,613 | 288,303 | 1,852,357 | 3,703,015 | 624,845 | 150,636,899 |
| \$500,000 under \$1,000,000..... | 2,600 | 23,583 | 12,077 | 300,034 | 2,147 | 83,653 | 342,624 | 684,911 | 121,088 | 70,842,571 |
| \$1,000,000 and over..... | 682 | 7,896 | 5,360 | 451,972 | 1,667 | 83,726 | 165,979 | 331,793 | 61,909 | 140,917,045 |
| Taxable returns, total..... | 870,906 | 3,810,509 | 7,111,291 | 20,590,554 | 658,244 | 1,672,141 | 180,038,208 | 359,878,835 | 89,375,115 | 2,191,483,448 |
| Nontaxable returns, total..... | 27,919 | 129,108 | 321,255 | 847,837 | 38,523 | 278,949 | 44,170,227 | 88,221,360 | 3,206,155 | 7,246,668 |

| Size of adjusted gross income | Income tax before credits | | Total tax credits | | Income tax after credits | | Alternative minimum tax | | Total income tax ² | |
|---------------------------------------|---------------------------|--------------------|-------------------|------------------|--------------------------|--------------------|-------------------------|----------------|-------------------------------|--------------------|
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (91) | (92) | (93) | (94) | (95) | (96) | (97) | (98) | (99) | (100) |
| All returns, total..... | 92,512,397 | 444,695,422 | 12,066,181 | 5,919,096 | 89,410,490 | 438,776,326 | 107,176 | 650,736 | 89,422,362 | 439,427,062 |
| No adjusted gross income..... | 132 | 12,830 | *97 | *86 | 123 | 12,744 | 4,093 | 37,613 | 4,196 | 50,358 |
| \$1 under \$5,000..... | 4,993,720 | 554,837 | 11,757 | 1,202 | 4,989,687 | 553,634 | *7,666 | *709 | 4,989,687 | 554,346 |
| \$5,000 under \$10,000..... | 9,859,092 | 3,667,152 | 629,093 | 98,887 | 9,317,141 | 3,568,266 | *711 | *397 | 9,317,852 | 3,568,663 |
| \$10,000 under \$15,000..... | 12,756,330 | 10,358,630 | 2,765,392 | 1,016,223 | 10,685,774 | 9,342,408 | *1,043 | *1,575 | 10,686,732 | 9,343,983 |
| \$15,000 under \$20,000..... | 11,484,098 | 16,164,943 | 2,884,304 | 833,593 | 11,087,461 | 15,331,350 | *1,355 | *11,115 | 11,087,628 | 15,342,465 |
| \$20,000 under \$25,000..... | 9,255,027 | 18,601,306 | 751,445 | 340,004 | 9,214,845 | 18,261,302 | *14 | *526 | 9,214,849 | 18,261,828 |
| \$25,000 under \$30,000..... | 7,599,715 | 21,103,299 | 622,583 | 263,850 | 7,579,653 | 20,839,449 | *1,708 | *11,474 | 7,579,740 | 20,850,923 |
| \$30,000 under \$40,000..... | 12,100,409 | 46,292,679 | 1,225,450 | 548,856 | 12,083,599 | 45,743,823 | 3,608 | 7,554 | 12,083,726 | 45,751,377 |
| \$40,000 under \$50,000..... | 8,555,140 | 44,352,260 | 952,171 | 408,984 | 8,547,088 | 43,943,277 | 4,525 | 21,691 | 8,548,943 | 43,964,967 |
| \$50,000 under \$75,000..... | 9,964,618 | 82,432,908 | 1,341,541 | 620,245 | 9,963,190 | 81,812,662 | 17,477 | 43,669 | 9,964,712 | 81,856,332 |
| \$75,000 under \$100,000..... | 3,041,704 | 42,860,780 | 428,565 | 339,081 | 3,040,616 | 42,521,699 | 15,131 | 38,009 | 3,041,292 | 42,559,708 |
| \$100,000 under \$200,000..... | 2,094,566 | 55,385,477 | 293,589 | 426,627 | 2,093,673 | 54,958,851 | 29,195 | 133,165 | 2,095,121 | 55,092,016 |
| \$200,000 under \$500,000..... | 624,849 | 43,155,280 | 110,831 | 421,394 | 624,716 | 42,733,886 | 14,112 | 127,537 | 624,867 | 42,861,424 |
| \$500,000 under \$1,000,000..... | 121,088 | 20,133,545 | 29,718 | 223,959 | 121,044 | 19,909,586 | 4,176 | 86,419 | 121,108 | 19,996,004 |
| \$1,000,000 and over..... | 61,909 | 39,619,495 | 19,645 | 376,107 | 61,879 | 39,243,389 | 2,361 | 129,283 | 61,907 | 39,372,672 |
| Taxable returns, total..... | 89,413,449 | 443,593,772 | 8,967,233 | 4,817,447 | 89,410,490 | 438,776,326 | 107,176 | 650,736 | 89,422,362 | 439,427,062 |
| Nontaxable returns, total..... | 3,098,947 | 1,101,649 | 3,098,947 | 1,101,649 | — | — | — | — | — | — |

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Size of adjusted gross income | Total tax liability ³ | |
|----------------------------------------|----------------------------------|--------------------|
| | Number of returns | Amount |
| | (101) | (102) |
| All returns, total | 91,237,909 | 457,791,938 |
| No adjusted gross income | 110,088 | 173,113 |
| \$1 under \$5,000 | 5,653,733 | 823,529 |
| \$5,000 under \$10,000 | 9,777,331 | 4,215,099 |
| \$10,000 under \$15,000 | 11,032,363 | 10,343,883 |
| \$15,000 under \$20,000 | 11,230,463 | 16,604,481 |
| \$20,000 under \$25,000 | 9,252,912 | 19,533,399 |
| \$25,000 under \$30,000 | 7,603,833 | 22,070,705 |
| \$30,000 under \$40,000 | 12,105,961 | 48,114,386 |
| \$40,000 under \$50,000 | 8,554,287 | 46,169,104 |
| \$50,000 under \$75,000 | 9,971,026 | 85,322,591 |
| \$75,000 under \$100,000 | 3,041,906 | 44,198,975 |
| \$100,000 under \$200,000 | 2,095,828 | 57,053,636 |
| \$200,000 under \$500,000 | 625,108 | 43,545,275 |
| \$500,000 under \$1,000,000 | 121,152 | 20,119,236 |
| \$1,000,000 and over | 61,918 | 39,504,528 |
| Taxable returns, total | 89,422,362 | 456,509,468 |
| Nontaxable returns, total | 1,815,547 | 1,282,470 |

¹ Not included in adjusted gross income.

² Total income tax represents income tax after credits (including the earned income credit), plus alternative minimum tax.

³ Total tax liability represents income tax after credits (including the earned income credit), plus alternative minimum tax, plus any other additional taxes, e.g., self-employment tax and penalty tax on individual retirement arrangements (IRA's).

* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to total due to rounding.