

Preliminary Income and Tax Statistics for 1981 Individual Income Tax Returns

By Norman Waits*

The first stage of the tax cuts introduced by the Economic Recovery Tax Act of 1981 resulted in a tax savings of \$3.4 billion, in the form of the 1.25 percent rate reduction credit, based on preliminary tabulations from Tax Year 1981 returns. This represented an average reduction in tax of \$45 on each individual taxpayer return. In spite of the credit, the average tax bill increased from \$2,653 for 1980 to \$3,000 for 1981, or 13.1 percent.

Income

Individuals reported almost \$1.8 trillion in adjusted gross income on the more than 95.2 million income tax returns filed for 1981. Adjusted gross income rose 10.8 percent, slightly more than the increase registered for 1980. Salaries and wages, the major component of adjusted gross income, increased at about the same rate as adjusted gross income. Certain types of investment income, however, increased at substantially faster rates.

<u>Income Type</u>	<u>1981 Amount (millions)</u>	<u>Increase From 1980</u>
Royalties	\$5,623	52.0%
Gross Interest	139,901	38.7
Gross Dividends	48,470	22.5
Salaries and Wages	1,489,233	10.7

The substantial increase in royalty income is due in part to the full decontrol of oil prices beginning in January 1981. Following behind royalties was interest income, up 38.7 percent over the previous year, due mainly to continued high interest rates. Substantial numbers of taxpayers took advantage of high yield investment opportunities, including money market funds, in 1981.

The increase in interest income may actually be slightly understated. As part of the Economic Recovery Tax Act objective to increase savings and spur investment, the tax exempt all-savers' certificates (ASC) provision allowed an individual to exclude from income up to \$1,000 (\$2,000 on a joint return) of interest income. Only the first 3 months of ASC activity was reportable for 1981, however, because the certificates were not available for purchase until October 1, 1981--the date the law became effective. The policy of most financial institutions was to pay ASC interest only at certificate maturity. Thus, most of the funds invested in ASC's in 1981 will not yield reportable interest until Tax Year 1982.

The 22.5 percent increase in dividends before exclusion for 1981 continued the upward trend that has been generally accelerating since 1975. Tax Year 1981 actually showed the largest gain (22.5 percent) in both the amount of dividends reported and in the number of returns reporting (14.0 percent) since 1975. Some of this increase in dividend income may be attributed to the tax law change affecting the dividend exclusion. For 1981 only, Congress changed the former dividend-only exclusion to cover both dividend and interest income, and raised the exclusion amount to \$200 per year--\$400 on a joint return regardless of which spouse received any of the income. Prior to 1981 the exclusion was \$100 per year per taxpayer. This increased exclusion may have encouraged dividend-producing investments by lowering the effective tax rate on that type of income. In addition, taxpayer reporting of interest and dividend income may have been less accurate than in previous years because the exclusion applied to both. (See also Data Sources and Limitations.)

Since the new combined exclusion applied to both dividends and interest, the exclusion went up drastically in both the number of returns and the amount. Although there were significant increases in dividends reported, approximately 32 million additional returns showed an exclusion only for interest income.

Dividends and Interest Exclusion

<u>Tax Year</u>	<u>Number of returns claiming exclusion</u>	<u>Amount of exclusion (thousands)</u>
1978	12,881,447	\$1,464,764
1979	13,298,353	1,546,038
1980	13,581,834	1,604,120
1981	48,563,448	10,660,797

While dividend income from investments increased significantly during 1981, the sale of capital assets produced, in the aggregate, a much smaller increase. These preliminary estimates show a gain of 8.5 percent in the amount of net capital gains less losses from 1980. This increase, however, is much larger than the less than 1 percent increase in net gains less losses from 1979 to 1980. It should be noted that preliminary estimates of capital gains and losses are more subject to change than other sources of income (such as salaries) given the characteristic increased reporting of capital gains and losses on later-filed returns. (See also Data Sources and Limitations.)

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Individual Returns, 1981

Figure A.--Sources of Income and Selected Tax Items, 1980 and 1981

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

Item	1980	1981	Change, 1980 to 1981
	(Preliminary)	(Preliminary)	
	(1)	(2)	(3)
Number of returns, total.....	93,616,278	95,284,813	1,668,535
Taxable.....	73,739,632	76,682,212	2,942,580
Nontaxable.....	19,876,646	18,602,601	-1,274,045
Adjusted gross income less deficit.....	1,606,265,685	1,779,359,494	173,093,809
Sources of income:			
Salaries and wages.....	1,345,004,185	1,489,233,708	144,229,523
Pensions and annuities in adjusted gross income.....	43,309,841	52,079,899	8,770,058
Business and profession: Net profit.....	64,918,225	68,154,534	3,236,309
Net loss.....	10,894,560	14,543,442	3,648,882
Farm: Net profit.....	9,692,583	8,445,750	-1,246,833
Net loss.....	11,230,038	15,877,253	4,647,215
Partnership: Net profit.....	24,517,693	25,274,967	757,274
Net loss.....	13,747,987	23,200,339	9,452,352
Small Business Corporation: Net profit.....	4,226,215	3,983,452	-282,763
Net loss.....	3,326,592	4,428,331	1,101,739
Sales of capital assets: Net gain.....	29,961,247	33,143,072	3,181,825
Net loss.....	2,982,816	3,861,900	879,084
Sales of property other than capital assets: Net gain.....	1,926,372	2,671,461	745,089
Net loss.....	412,881	2,337,718	1,924,837
Interest received.....	100,902,810	139,901,533	38,998,723
Dividends received.....	39,575,693	48,470,224	8,894,531
Combined interest and dividend exclusion ¹	1,604,120	10,660,797	9,056,677
Interest and dividends in adjusted gross income.....	138,874,382	177,710,959	38,836,577
Rent: Net income.....	13,131,943	15,199,518	2,067,575
Net loss.....	12,582,491	17,301,107	4,718,616
Royalty: Net income.....	3,943,411	5,905,712	1,962,301
Net loss.....	244,836	282,473	37,637
Estate or trust: Net income.....	4,685,944	4,441,950	-243,994
Net loss.....	360,212	566,931	206,719
All other sources (net) ²	7,310,867	5,735,063	-1,575,804
Total statutory adjustments.....	28,025,600	31,466,384	3,440,784
Total itemized deductions.....	214,784,413	255,370,622	40,586,209
Number of exemptions.....	227,090,827	230,987,875	3,897,048
Taxable income.....	1,273,558,005	1,415,615,526	142,057,521
Zero bracket amount.....	234,346,134	240,791,112	6,444,978
Income tax before credits.....	254,211,495	295,662,844	41,451,349
Total credits.....	6,745,156	11,430,046	4,683,890
Income tax after credits.....	247,466,339	284,232,797	36,766,458
Additional tax for tax preferences.....	934,263	1,617,053	682,790
Total income tax.....	248,400,602	285,849,851	37,449,249
Self-employment tax.....	5,507,644	6,579,434	1,071,790
Total tax liability.....	254,120,823	292,724,067	38,603,244

¹For 1980, exclusion only applied to dividends.²For both years, includes state income tax refunds, alimony received, unemployment compensation in adjusted gross income, and other income less loss. For 1981, also includes windfall profit tax refunds.

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

Overall business profits of individuals showed a slower rate of growth than the various types of investment income. The table below reflects the changes in the number of businesses reporting a profit or loss. Farm businesses actually showed a large decrease in the number of businesses reporting a net profit, while other categories showed only modest increases. As for the number of businesses with net losses, all categories showed substantial increases, with "partnerships" showing the greatest change of 46.3 percent.

Income type	Net Profit Returns (thousands)	Change from 1980	Net Loss Returns (thousands)	Change from 1980
Business (nonfarm)	6,525	4.6%	3,042	19.1%
Farm	981	-11.7	1,649	12.2
Partnership	1,748	1.0	1,932	46.3
Small business corporation	395	0.1	345	4.0

Return Filings

The overall increase in the number of returns filed since 1976 can be explained in part by a growing work force. The degree of variance from year to year in the rate of growth is generally attributable to the interaction of tax law changes and economic conditions. Tax law changes enacted for 1977, 1979, and 1981--especially those provisions increasing the income levels required for filing a return--helped to keep the filing increases behind the employment increases from 1976-78. On the other hand, those law changes which affected the taxation of certain sources of income, such as unemployment compensation beginning with 1979, contributed to a growth rate in tax return filing which was higher than the employment growth rate.

Tax Year	Annual Growth Rates	
	Employment	Returns Filed
1976	3.2%	3.0%
1977	3.6	2.2
1978	4.3	3.9
1979	2.8	3.1
1980	0.5	1.1
1981	1.1	1.2

Itemized Deductions

The number of returns with itemized deductions claimed reached 31.5 million in 1981 while total

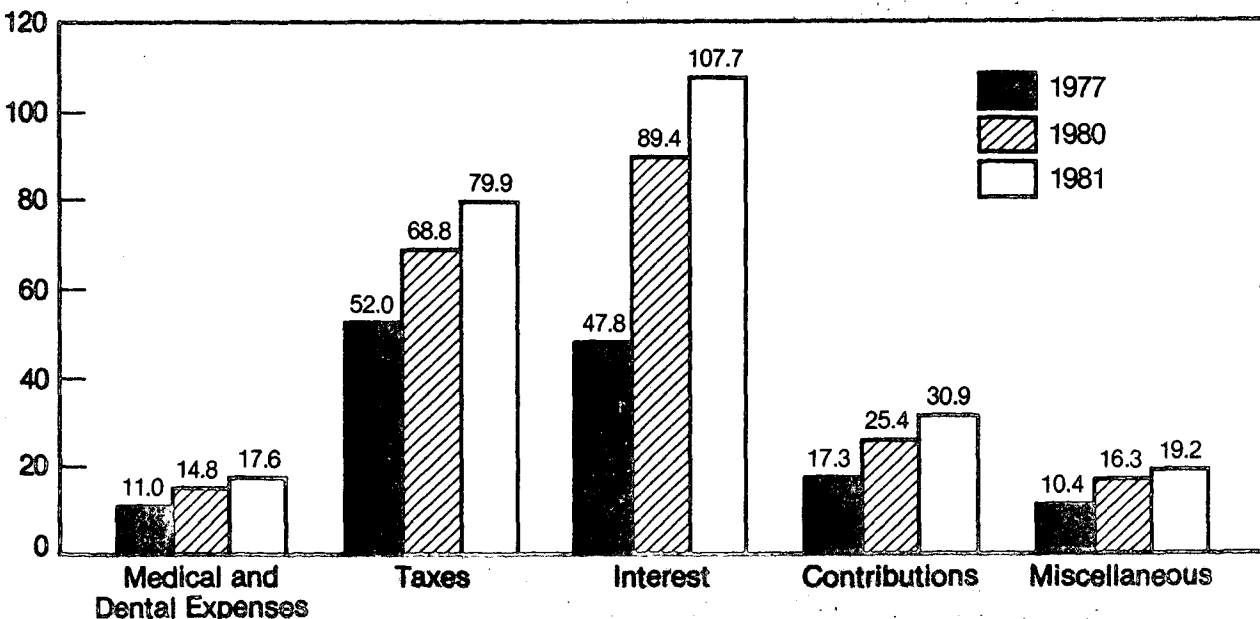
itemized deductions amounted to \$255.4 billion. These preliminary estimates reflect an increase of 9.5 percent in the number of returns with itemized deductions and 18.9 percent in deduction amounts from the previous tax year. Increases in average income and expenditures, without a corresponding increase in the zero bracket amount (standard deduction), are largely responsible for the increase in itemized deductions. The zero bracket amount was last changed for 1979--and the number of returns claiming itemized deductions for that year rose only 2.7 percent. For 1980, the number of taxpayers itemizing deductions also increased, by 8.7 percent.

Tax Year	All Returns	Itemized Deduction Returns
1977	86,493,391	22,871,165
1978	89,889,669	25,774,779
1979	92,616,213	26,481,524
1980	93,616,278	28,791,240
1981	95,284,813	31,515,624

Increases in disposable income and prices, as well as higher interest rates on borrowed money, have combined to cause all types of itemized deductions to increase, although at varying rates, as illustrated in Figure B. For 1981, the largest increase was in contributions deducted, up 21.8 percent, while for 1980 it was for interest paid--21.4 percent. For both years, the amounts for taxes deducted showed the smallest increases--13.7 percent for 1980 and 16.1 percent for 1981.

Figure B
Itemized Deductions by Type: 1977, 1980, and 1981

Billions of Dollars



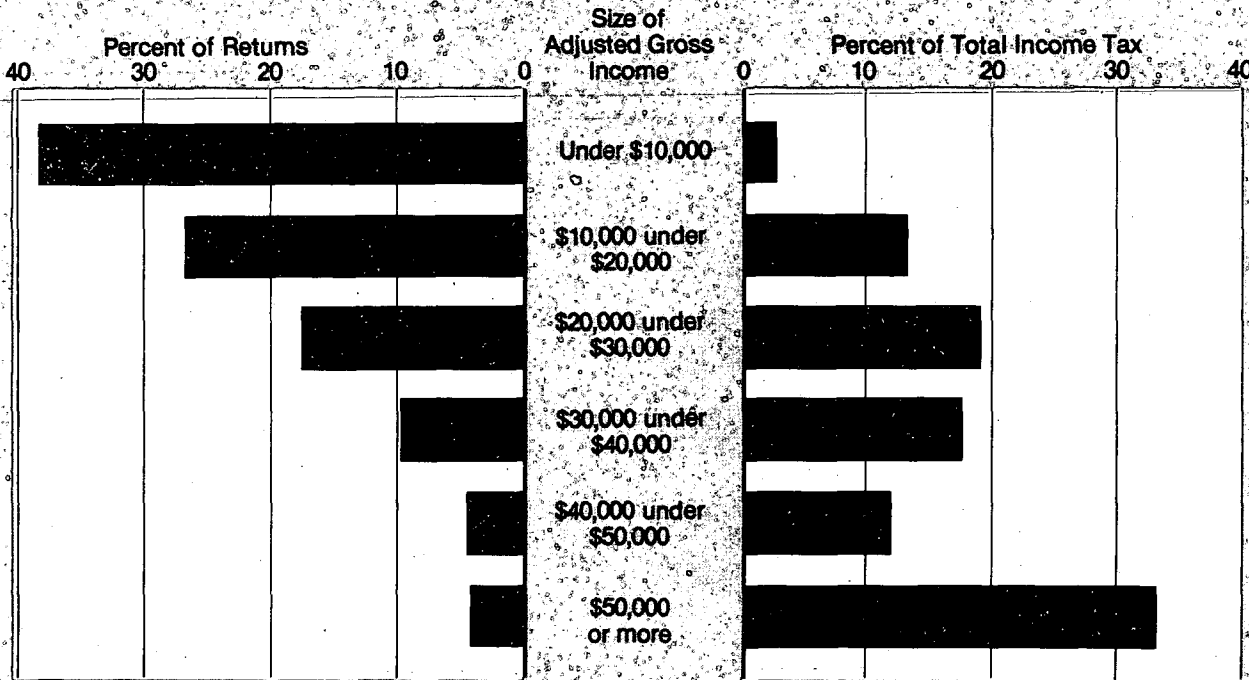
Income Tax

While adjusted gross income rose by 10.8 percent, total income tax rose even more, by 15.1 percent, from \$248.4 billion for 1980 to \$285.8 billion for 1981. This increase is still less than the 16.2 percent rise in total income tax from 1979 to 1980. In addition to the new dividend and interest exclusion, two other tax law changes resulted in tax savings and contributed to the slower rate of increase--the 1.25 percent rate reduction credit and the restoration of the alternative tax on capital gains. The rate reduction credit amounted to \$3.4 billion and was claimed on 75.1 million returns. Another \$591 million in tax was saved on some 165,000 returns as a result of the alternative tax. This tax was applicable to capital gains from sales or exchanges after June 9, 1981, and had the effect of limiting the tax rate on capital

gains to 20 percent (compared to 28 percent on earlier transactions). The alternative tax was instituted for the last 6 months of 1981 in anticipation of the reduction in the top marginal tax rate from 70 percent to 50 percent effective January 1, 1982, which might have otherwise encouraged taxpayers to postpone transactions until the more beneficial rules applied.

Even with the tax savings provisions which, dollar-for-dollar, benefited the higher income taxpayers more, the distribution of the tax burden according to size of income is indicative of the progressive nature of the tax rate structure. As illustrated below, the largest percentage of returns is in the lowest income group but accounts for the smallest portion of the total income tax. On the other hand, the smallest percentage of returns is in the highest income group but accounts for the largest share of total income tax.

Figure C
Percent of Returns and Income Tax, By Size of Adjusted Gross Income, 1981



Data Sources and Limitations

These preliminary statistics are based on a sample of individual income tax returns, Forms 1040 and 1040A, filed for Tax Year 1981. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Profession; State for which filed; adjusted gross income or deficit, or largest of selected sources of income or loss; and size of business plus farm receipts. For 1981, returns were selected at rates ranging from 0.05 percent to 100 percent. There were 134,818 returns in the 1981 preliminary sample, estimating a total population of 95,284,813. The corresponding sample size and population for 1980 were 160,213 and 93,616,278, respectively.

Because the data presented in this article are estimates based on a sample of documents filed with the Internal Revenue Service, they are subject to sampling, as well as nonsampling, error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known.

The table below presents approximated coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For a number other than those shown below, the corresponding CV's can be estimated by interpolation.

<u>Number of Returns</u>	<u>Approximated Coefficient of Variation</u>
20,231,300	.01
5,057,800	.02
809,300	.05
202,300	.10
50,600	.20
22,500	.30
8,100	.50

The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of sample estimates, are discussed in the Appendix.

These preliminary estimates are subject to several types of nonsampling error. While the estimates are intended to represent the full year's taxpayer reporting, these data are based on returns filed through the end of September 1982. Returns filed after that (which are sampled and included in the final estimates for the year) tend to have slightly different characteristics from earlier returns. These characteristics include: larger income (gains or losses); a heavier proportion of investment income (such as capital gains); a larger proportion of certain other items reported on the return (such as the minimum tax and the alternative minimum tax).

In addition to the "filing" characteristics, some of the data may be particularly affected by tax law changes and resulting taxpayer reporting. For instance, for 1981 dividends and interest were both subject to the former dividend-only exclusion. Reporting of the gross amounts of each type of income may have suffered as a result, since the two were added together before the exclusion was applied.

Individual Returns, 1981

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

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

Table with 13 columns: Size of adjusted gross income, Number of returns, Adjusted gross income less deficit, Salaries and wages (Number of returns, Amount), Domestic and foreign dividends received (Number of returns, Amount), Total interest received (Number of returns, Amount), Dividends and interest exclusion (Number of returns, Amount), Dividends and interest in adjusted gross income (Number of returns, Amount). Rows include All returns, total; No adjusted gross income; \$1 under \$1,000; \$1,000 under \$2,000; \$2,000 under \$3,000; \$3,000 under \$4,000; \$4,000 under \$5,000; \$5,000 under \$6,000; \$6,000 under \$7,000; \$7,000 under \$8,000; \$8,000 under \$9,000; \$9,000 under \$10,000; \$10,000 under \$11,000; \$11,000 under \$12,000; \$12,000 under \$13,000; \$13,000 under \$14,000; \$14,000 under \$15,000; \$15,000 under \$16,000; \$16,000 under \$17,000; \$17,000 under \$18,000; \$18,000 under \$19,000; \$19,000 under \$20,000; \$20,000 under \$25,000; \$25,000 under \$30,000; \$30,000 under \$40,000; \$40,000 under \$50,000; \$50,000 under \$75,000; \$75,000 under \$100,000; \$100,000 under \$200,000; \$200,000 under \$500,000; \$500,000 under \$1,000,000; \$1,000,000 or more; Taxable returns, total; Non-taxable returns, total; All returns, summary; Under \$5,000; \$5,000 under \$10,000; \$10,000 under \$15,000; \$15,000 under \$20,000; \$20,000 or more.

Table with 13 columns: Size of adjusted gross income, Unemployment compensation (Total, Number of returns, Amount), Payments to an individual retirement arrangement (Number of returns, Amount), Exemptions (Total number, Exemptions other than age or blindness), Returns with itemized deductions (Number of returns, Total itemized deductions, Medical and dental expense deduction (Number of returns, Amount)). Rows include All returns, total; No adjusted gross income; \$1 under \$1,000; \$1,000 under \$2,000; \$2,000 under \$3,000; \$3,000 under \$4,000; \$4,000 under \$5,000; \$5,000 under \$6,000; \$6,000 under \$7,000; \$7,000 under \$8,000; \$8,000 under \$9,000; \$9,000 under \$10,000; \$10,000 under \$11,000; \$11,000 under \$12,000; \$12,000 under \$13,000; \$13,000 under \$14,000; \$14,000 under \$15,000; \$15,000 under \$16,000; \$16,000 under \$17,000; \$17,000 under \$18,000; \$18,000 under \$19,000; \$19,000 under \$20,000; \$20,000 under \$25,000; \$25,000 under \$30,000; \$30,000 under \$40,000; \$40,000 under \$50,000; \$50,000 under \$75,000; \$75,000 under \$100,000; \$100,000 under \$200,000; \$200,000 under \$500,000; \$500,000 under \$1,000,000; \$1,000,000 or more; Taxable returns, total; Non-taxable returns, total; All returns, summary; Under \$5,000; \$5,000 under \$10,000; \$10,000 under \$15,000; \$15,000 under \$20,000; \$20,000 or more.

Footnotes at end of table.

Table 2.—All Returns: Selected Income, Deduction, and Tax Items, by State

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

State	Number of returns	Adjusted gross income less deficit	Average adjusted gross income (Dollars)	Salaries and wages		Exemptions		Total itemized deductions		Returns with zero bracket amount only	
				Number of returns	Amount	Total number	Number other than age or blindness	Number of returns	Amount	Number of returns	Zero bracket amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
United States, total	95,284,813	1,779,359,494	18,674	84,199,098	1,489,233,708	230,987,875	217,634,637	31,515,624	255,370,622	58,738,889	144,767,015
Alabama	1,398,114	22,939,440	16,407	1,280,492	20,209,428	3,701,596	3,584,005	451,453	3,090,373	852,724	2,158,339
Alaska	196,405	4,971,455	25,312	184,010	4,562,495	460,134	454,605	68,458	605,702	123,273	318,306
Arizona	1,148,807	20,483,963	17,831	995,515	16,889,902	2,874,993	2,694,759	464,919	3,606,251	632,440	1,531,648
Arkansas	820,472	12,265,796	14,950	709,237	10,059,347	2,119,376	1,992,133	185,064	1,357,047	565,346	1,461,265
California	10,470,878	208,837,607	19,945	9,184,736	174,802,733	25,151,321	23,721,697	4,215,053	42,605,907	5,717,365	13,713,695
Colorado	1,341,214	26,290,803	19,602	1,199,172	22,210,780	3,087,731	2,933,191	558,556	4,556,553	728,545	1,763,571
Connecticut	1,447,892	30,840,832	21,301	1,259,004	25,553,991	3,338,552	3,121,538	462,628	3,870,290	330,148	2,263,632
Delaware	267,676	5,060,859	19,640	233,413	4,195,593	609,825	577,735	82,890	661,284	168,944	417,846
District of Columbia	317,645	6,012,148	18,927	287,488	4,779,061	658,014	612,065	105,266	1,069,501	195,085	427,482
Florida	4,334,339	76,189,536	17,578	3,533,393	55,444,032	10,483,035	9,443,170	1,162,749	9,424,454	2,950,620	7,462,070
Georgia	2,183,633	36,597,663	16,760	2,007,420	32,162,235	5,401,184	5,177,070	660,161	5,181,730	1,389,981	3,373,455
Hawaii	436,919	7,906,389	18,096	388,494	6,656,633	1,005,470	958,321	156,721	1,429,683	262,535	635,517
Idaho	360,754	5,814,936	16,119	303,096	4,675,814	970,828	904,835	125,184	948,839	216,449	531,637
Illinois	4,826,367	96,606,526	20,016	4,259,819	81,335,321	11,563,167	10,831,423	1,685,302	12,547,934	2,919,189	7,069,579
Indiana	2,197,295	39,541,492	17,996	1,982,331	34,398,131	5,441,600	5,175,363	648,125	4,253,084	1,404,300	3,519,781
Iowa	1,177,891	20,769,860	17,633	956,080	15,949,151	2,965,935	2,705,294	393,589	2,723,803	713,116	1,796,543
Kansas	1,003,043	18,734,653	18,678	873,913	15,098,317	2,451,060	2,285,370	320,358	2,438,470	613,814	1,552,300
Kentucky	1,311,175	21,734,770	16,577	1,136,633	18,186,624	3,349,016	3,175,184	390,211	2,709,476	837,795	2,148,917
Louisiana	1,631,540	30,320,601	18,584	1,469,591	25,807,750	4,103,505	3,960,924	385,395	3,015,660	1,141,612	2,840,994
Maine	462,927	7,064,068	15,260	410,811	5,856,641	1,084,674	1,031,926	107,003	767,722	332,354	839,759
Maryland	1,860,387	38,174,916	20,520	1,668,409	31,690,815	4,362,751	4,108,068	773,654	6,459,559	1,025,388	2,469,381
Massachusetts	2,562,970	47,586,175	18,567	2,275,343	39,295,223	5,664,279	5,280,910	925,971	7,160,698	1,544,816	3,591,177
Michigan	3,606,944	70,904,284	19,658	3,212,951	61,510,234	8,975,200	8,547,398	1,475,131	11,017,755	1,956,479	4,708,150
Minnesota	1,740,455	31,514,518	18,107	1,508,888	26,732,098	4,064,406	3,813,234	681,846	5,306,362	958,850	2,257,235
Mississippi	868,118	13,049,460	15,032	793,862	11,221,031	2,363,871	2,249,065	206,010	1,450,790	587,470	1,483,844
Missouri	1,978,661	34,881,677	17,629	1,720,800	28,821,344	4,790,535	4,458,039	596,608	4,152,349	1,257,705	3,178,682
Montana	333,485	5,348,984	16,040	271,908	4,283,480	842,987	784,641	110,776	804,337	203,995	502,885
Nebraska	664,840	11,071,932	16,654	552,110	8,879,326	1,662,353	1,530,979	189,429	1,368,622	430,935	1,108,608
Nevada	406,048	7,537,931	18,564	367,101	6,354,368	908,943	858,401	130,906	1,099,981	263,513	650,974
New Hampshire	418,521	7,415,224	17,718	371,832	6,294,902	1,002,452	941,123	103,340	771,489	299,575	746,562
New Jersey	3,265,455	68,104,664	20,856	2,942,198	57,787,858	7,852,551	7,350,504	1,182,828	9,575,466	1,955,574	4,762,527
New Mexico	536,179	8,774,797	16,365	472,834	7,415,159	1,393,735	1,334,016	141,983	1,029,503	354,593	879,746
New York	7,183,973	143,134,160	19,924	6,347,197	116,675,957	17,125,928	16,039,075	2,886,398	25,746,321	3,972,064	9,344,630
North Carolina	2,379,546	37,898,731	15,927	2,174,390	32,598,734	5,790,745	5,523,112	705,355	5,168,124	1,529,863	3,778,205
North Dakota	276,393	4,536,608	16,414	217,279	3,315,241	687,045	628,769	64,366	458,928	189,984	474,430
Ohio	4,455,588	82,052,761	18,416	3,951,212	70,566,815	10,713,995	10,102,723	1,307,265	9,238,697	2,893,131	7,297,167
Oklahoma	1,258,173	23,413,203	18,609	1,093,446	18,923,918	3,018,992	2,812,728	400,087	3,117,230	780,339	1,973,160
Oregon	1,088,436	19,123,057	17,569	917,458	15,270,676	2,697,318	2,510,290	455,739	3,510,812	566,245	1,327,586
Pennsylvania	4,873,901	88,911,407	18,242	4,315,966	74,779,235	11,443,061	10,775,028	1,449,984	10,180,640	3,213,701	8,001,741
Rhode Island	408,795	6,848,247	16,752	365,038	5,767,069	927,513	875,758	118,198	871,107	269,984	670,012
South Carolina	1,205,965	19,102,366	15,840	1,112,911	16,769,892	2,940,381	2,827,376	377,582	2,612,557	763,988	1,467,278
South Dakota	277,733	4,036,345	14,533	213,374	2,957,710	732,264	670,178	68,697	461,460	176,097	466,812
Tennessee	1,753,347	28,314,404	16,149	1,586,147	24,647,408	4,479,594	4,281,940	388,085	3,122,328	1,213,474	3,114,960
Texas	6,143,458	122,306,795	19,908	5,592,180	103,739,856	15,310,985	14,632,529	1,508,435	13,070,501	4,319,001	10,969,883
Utah	551,005	9,787,419	17,763	494,961	8,469,372	1,623,689	1,559,564	242,985	2,042,557	274,307	656,491
Vermont	212,319	3,312,269	15,600	189,135	2,725,366	499,309	466,284	59,931	401,239	140,698	346,476
Virginia	2,257,335	43,136,360	19,109	2,028,168	36,784,541	5,218,034	4,983,610	779,157	6,525,881	1,355,252	3,351,929
Washington	1,801,593	35,728,272	19,831	1,571,745	29,882,421	4,212,285	3,923,890	588,291	4,375,888	1,129,137	2,854,626
West Virginia	671,296	11,381,741	16,955	597,908	9,902,121	1,700,179	1,618,977	123,403	883,999	504,351	1,320,026
Wisconsin	1,967,847	35,403,576	17,991	1,743,379	29,655,814	4,879,948	4,588,047	723,641	5,450,002	1,134,742	2,682,037
Wyoming	216,422	4,444,746	20,537	197,233	3,696,923	520,232	498,793	63,023	496,356	145,827	375,666
APD/FPO ¹	475,829	5,763,874	12,113	473,602	5,903,037	1,053,559	1,049,813	19,858	129,840	448,719	1,210,741
Puerto Rico	39,309	470,603	11,972	32,942	428,189	132,516	126,132	4,937	42,767	26,720	74,045
U.S. citizens abroad ²	219,501	6,904,587	31,456	170,543	6,653,599	575,424	543,035	32,640	403,311	156,607	443,007

Footnotes at end of table.

Table 2.—All Returns: Selected Income, Deduction, and Tax Items, by State—Continued

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

State	Taxable income		Residential energy credit						Total income tax		Average total income tax (Dollars)	Windfall profit tax overpayment	
	Number of returns	Amount	Returns with total energy conservation expenditures		Returns with total renewable energy source expenditures		Residential energy credit used to offset income tax before credits		Number of returns	Amount		Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount					
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
United States, total	89,805,882	1,416,615,526	3,751,201	2,918,618	226,314	721,636	3,881,211	602,430	76,682,212	285,849,851	3,728	121,404	129,761
Alabama	1,298,083	18,034,843	49,653	34,283	*88	*447	48,631	4,817	1,067,894	3,275,083	3,067	4,970	7,915
Alaska	191,000	4,172,395	6,218	5,046	*18	*192	6,236	761	179,671	969,827	5,398	922	175
Arizona	1,088,032	15,869,630	28,713	18,114	16,676	41,707	41,145	17,373	920,790	3,048,875	3,311	6,575	5,091
Arkansas	748,230	9,772,363	20,201	14,622	*70	*402	19,641	2,047	614,900	1,720,091	2,797	7,299	6,028
California	9,822,255	157,687,809	220,285	200,158	70,060	244,513	276,418	102,964	8,468,641	32,476,079	3,835	43,151	37,148
Colorado	1,278,477	20,842,998	87,581	61,860	14,317	59,374	96,252	28,672	1,130,462	4,237,943	3,749	11,255	11,960
Connecticut	1,387,268	25,275,320	77,399	73,533	1,398	5,563	77,858	10,232	1,214,362	5,707,544	4,700	2,353	2,027
Delaware	251,816	4,070,476	14,086	7,856	*516	*717	14,598	1,373	225,019	837,798	3,723	316	66
District of Columbia	299,693	4,641,225	8,229	8,983	*28	*123	8,880	1,202	247,399	1,057,748	4,275	454	250
Florida	4,093,206	60,899,569	65,754	47,181	15,595	22,917	75,606	13,996	3,467,059	12,606,399	3,636	7,867	5,518
Georgia	2,048,330	28,766,015	66,701	41,948	*3	*19	66,676	6,230	1,729,027	5,374,097	3,108	4,419	1,340
Hawaii	417,543	6,018,534	*937	*443	8,034	24,736	9,369	3,036	345,470	1,144,027	3,312	1,174	1,769
Idaho	337,129	4,588,715	17,569	16,333	*911	*3,223	17,563	3,229	279,610	813,547	2,910	2,000	936
Illinois	4,588,110	78,883,673	236,396	213,049	2,215	3,379	233,887	25,765	3,965,904	16,805,082	4,237	32,840	32,890
Indiana	2,044,354	32,557,367	95,672	61,787	*3,200	*6,832	97,532	9,744	1,723,686	6,426,268	3,728	5,153	3,820
Iowa	1,097,709	16,906,768	53,552	44,412	3,787	2,675	53,436	5,933	912,254	3,180,706	3,487	557	827
Kansas	932,483	15,331,744	40,161	25,279	*2,648	*5,253	38,180	4,752	806,932	3,082,756	3,820	23,674	28,758
Kentucky	1,226,571	17,252,706	41,643	34,777	*357	*883	41,918	4,750	1,027,009	3,203,701	3,119	9,707	2,965
Louisiana	1,525,789	25,055,407	36,457	33,119	*1,953	*2,351	36,054	4,051	1,285,717	5,277,188	4,104	25,183	30,359
Maine	437,881	5,609,052	20,043	15,165	*1,781	*16,860	21,522	6,161	363,663	963,985	2,651	1,215	112
Maryland	1,795,036	29,920,871	74,168	50,488	*1,017	*2,266	77,189	7,368	1,602,800	6,181,270	3,857	6,822	7,435
Massachusetts	2,453,130	38,017,455	163,615	125,330	6,150	35,027	163,835	22,767	2,118,293	7,759,451	3,663	2,757	1,793
Michigan	3,411,195	56,125,465	235,785	157,795	6,128	19,015	238,452	27,865	2,893,799	11,250,145	3,888	5,380	5,629
Minnesota	1,630,692	24,886,117	116,842	65,676	*4,126	*10,184	115,259	11,425	1,362,680	4,772,989	3,503	4,895	2,264
Mississippi	790,510	10,348,800	23,833	16,962	*310	*415	23,386	2,182	636,640	1,856,285	2,916	5,541	10,506
Missouri	1,850,567	28,279,280	66,319	45,013	*5,349	*4,327	68,619	6,359	1,576,203	5,567,060	3,532	7,449	4,209
Montana	310,752	4,305,023	14,296	7,222	1,307	5,744	14,824	3,185	251,924	772,636	3,067	2,178	2,370
Nebraska	617,810	9,165,585	32,653	22,941	*1,117	*4,143	32,257	4,032	517,785	1,658,669	3,203	2,957	3,594
Nevada	390,898	6,074,826	8,524	6,772	2,242	3,809	10,644	2,627	338,384	1,274,285	3,766	2,338	2,628
New Hampshire	401,748	6,034,752	14,296	10,976	*147	*488	14,667	1,790	338,777	1,164,189	3,436	75	69
New Jersey	3,133,026	54,676,622	223,631	188,723	816	2,663	223,995	24,923	2,732,907	11,792,913	4,315	1,819	754
New Mexico	494,423	6,976,255	15,331	11,314	6,567	17,256	18,802	7,201	404,892	1,291,415	3,190	3,409	2,910
New York	6,825,713	110,123,088	396,646	326,123	1,287	1,164	394,696	39,496	5,892,232	23,228,723	3,942	10,226	6,524
North Carolina	2,225,928	29,677,874	65,592	37,914	*2,341	*13,789	66,404	9,525	1,830,173	5,289,258	2,890	457	564
North Dakota	254,008	3,827,846	10,499	5,749	*983	*899	10,234	1,040	199,981	705,840	3,530	3,709	4,324
Ohio	4,192,041	66,717,071	179,926	132,792	*3,491	*11,546	181,821	19,993	3,684,927	13,235,515	3,592	16,639	11,821
Oklahoma	1,174,683	19,079,445	39,915	27,312	*241	*3,401	38,877	4,368	990,273	3,928,761	3,967	55,431	53,674
Oregon	1,015,421	14,691,138	41,576	39,409	4,523	19,382	43,548	10,126	813,193	2,772,292	3,409	4,716	3,290
Pennsylvania	4,647,122	72,483,617	253,298	224,998	7,282	27,736	259,658	38,211	3,995,572	14,362,293	3,595	4,822	1,984
Rhode Island	387,339	5,457,977	23,878	10,764	3,092	14,631	25,335	7,235	333,334	1,015,327	3,046	44	3
South Carolina	1,140,496	14,971,885	47,747	21,685	*357	*3,180	48,096	4,373	964,026	2,613,587	2,711	1,817	116
South Dakota	244,548	3,317,448	8,560	4,630	*2,518	*1,753	9,757	997	191,351	561,423	2,934	335	167
Tennessee	1,594,543	22,589,215	71,405	59,251	*3,496	*23,655	74,668	17,168	1,311,782	4,232,365	3,226	3,273	1,415
Texas	5,801,677	100,574,311	110,678	111,993	*2,214	*983	110,253	12,716	4,946,744	22,248,729	4,498	101,737	101,272
Utah	508,529	7,155,471	25,482	19,782	1,625	7,696	24,502	5,113	419,906	1,272,205	3,030	755	967
Vermont	199,046	2,643,450	11,769	7,166	*383	*1,082	12,072	1,909	170,817	466,593	2,732	23	5
Virginia	2,124,896	34,152,052	62,145	39,700	4,997	12,442	68,051	11,426	1,845,782	6,864,547	3,719	4,223	507
Washington	1,710,984	29,317,584	82,197	79,711	*1,058	*5,392	82,977	11,859	1,509,622	6,015,590	3,985	8,102	3,661
West Virginia	624,628	2,298,668	16,537	13,711	*173	*424	16,537	2,214	518,008	1,774,393	3,425	3,098	579
Wisconsin	1,843,837	27,665,478	120,240	79,195	*6,848	*23,027	123,828	17,986	1,533,706	5,229,012	3,409	4,802	1,268
Wyoming	207,216	3,704,945	5,484	4,639	*474	*1,949	5,707	1,277	177,112	785,636	4,436	2,243	3,824
APO/FPO ¹	468,577	4,646,558	*45	*21	—	—	45	3	435,621	670,300	1,539	45	1
Puerto Rico	31,657	347,118	—	—	—	—	—	—	13,346	13,369	1,002	—	—
U.S. citizens abroad ²	189,247	6,125,625	*1,039	*2,916	—	—	—	—	154,151	1,014,038	6,578	394	409

Individual Returns, 1981

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

¹ Returns filed from Army Post Office and Fleet Post Office addresses.

² Returns filed by U.S. citizens living in U.S. possessions or abroad.

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