

Projections of Returns To Be Filed in Calendar Years 2000-2007

by Frank Zaffino

According to the most recent projections of tax return filings made by the Internal Revenue Service (IRS), the grand total of all tax returns filed in Calendar Year (CY) 2001 will be 232.5 million. This number is expected to increase at an approximate rate of 1.8 percent annually through CY 2007. By 2007, the number of return filings should reach 258.1 million.

Projections of tax returns to be filed by major form type are prepared annually by the IRS research staff, under the newly established National Headquarters Office of Research, Analysis and Statistics of Income. These projections are presented in Table 1 [1]. The IRS uses these projections in planning, budgeting, and resource allocation decisions, as well as for meeting other information and analysis needs.

Common factors used in preparing IRS workload forecasts include recent filing patterns, economic and demographic trends, enacted legislation, and planned administrative changes. However, legislative or administrative changes simply under consideration are not reflected in the projections. This is due to uncertainty in their eventual outcome.

This article focuses on the projections made in the fall of 2000. At that time, actual data through August 2000 were generally available and, where applicable, were used in the projections.

Alternative Filing Future

The projections presented in this article are the result of extrapolations of historical trends for the respective form types, as well as relevant legislative and administrative changes. The forecasts are not intended as goals. Projections of electronically filed, or *e-file*, returns are no exception. Forecasts of *e-file* returns are made under the assumption that past filing trends will hold true in the future. Assumptions such as these are common in the field of statistical forecasting and form a prudent basis for planning. However, Congress and the IRS have articulated a vision of a more efficient and effective filing future. This includes an increasingly large number of *e-file*

returns. Accordingly, several strategies are currently being pursued by the IRS to increase future *e-file* volumes above those projected in this article. However, many of these *e-file* initiatives are still evolving and are not definite. Therefore, they are not reflected in this article.

Projection Highlights

Grand Total Returns, Primary Returns, Supplemental Documents

The “grand total” figure is a summation of “total primary returns” and “supplemental documents.” “Total primary returns” contain the bulk of the IRS returns processing workload and include the three largest return categories: individual income tax returns, employment tax returns, and individual estimated tax payment vouchers. These three form types account for over 90 percent of the “total primary returns.” “Supplemental documents” consist mainly of amended returns and requests for filing extensions by individuals and corporations.

Table 1 presents a complete list of yearly projections by form type through CY 2007. For CY 2001, approximately 215.7 million returns are projected to fall under “total primary returns,” and 16.8 million under “supplemental documents.” As displayed in Figure A, these forecasts reflect an increase over CY 2000 of 1.7 percent and 3.1 percent, respectively. Figure A also shows an average annual growth rate from CY 2000 through CY 2007 for “total primary returns” and “supplemental documents” of 1.7 percent and 3.4 percent, respectively.

Individual Income Tax Returns

“Total individual returns” are defined as: (1) paper and electronic versions of the major individual income tax returns, Forms 1040, 1040EZ, 1040A, and 1040PC; (2) Form 1040NR, *U.S. Non-Resident Alien Income Tax Return*; (3) Form 1040 (PR), *Planilla para la Declaracion de la Contribucion Federal Sobre El Trabajo Por Cuenta Propia—Puerto Rico*; and (4) Form 1040SS, *U.S. Self-Employment Tax Return—U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), or Puerto Rico*. This heading excludes Form 1040X, *Indi-*

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Figure A

Projection Overview for Calendar Years 2001-2007

[Numbers of returns are in thousands]

Type of return	2001 projection	Percentage increase from 2000	Average annual percentage increase, 2001-2007	Type of return	2001 projection	Percentage increase from 2000	Average annual percentage increase, 2001-2007
	(1)	(2)	(3)		(1)	(2)	(3)
Grand total.....	232,467	1.83	1.84	Total primary returns--continued			
Total primary returns.....	215,705	1.73	1.71	Employment tax--continued			
Individual income tax, total.....	130,266	1.88	1.62	Magnetic tape returns, Forms 941,			
Forms 1040, 1040A, 1040EZ, and 1040PC, total	129,706	1.87	1.61	940 series, total.....	2,280	7.14	13.03
Total paper returns.....	87,365	-5.00	-3.43	E-file and TeleFile returns, Form 941, total.....	2,610	23.55	11.75
Paper Form 1040.....	61,035	0.47	-2.77	By form type:			
Paper Form 1040A.....	15,625	5.13	-5.87	Forms 940, 940EZ, and 940PR, total.....	5,600	0.74	0.82
Paper Form 1040EZ.....	10,705	-4.34	-3.60	Paper Forms 940, 940EZ, and 940PR.....	4,914	-0.38	-0.96
Paper Form 1040PC.....	(¹)	(¹)	(¹)	Magnetic tape returns, Form 940.....	686	9.56	13.58
Electronically-filed returns, total.....	42,341	19.73	12.02	Forms 941, 941PR, 941SS, and 941E, total.....	23,648	0.73	0.86
On-line filing.....	8,521	69.93	27.96	Paper Forms 941, 941PR, 941SS, and 941E.....	19,443	-2.10	-1.58
Standard e-file.....	28,898	14.72	9.33	Magnetic tape returns, Form 941	1,655	10.12	13.02
TeleFile.....	4,921	-4.61	0.21	E-file returns, Form 941	1,579	23.96	14.92
Forms 1040NR, 1040PR, and 1040SS, total.....	560	3.48	3.60	TeleFile returns, Form 941	971	15.75	6.17
Individual estimated tax, Form 1040-ES.....	40,535	2.89	2.12	Forms 943 and 943 PR.....	301	-2.21	-2.50
Estate and trust income tax, Forms 1041 and 1041S, total.....	3,665	2.84	2.04	Form 945.....	197	0.72	0.86
Paper Forms 1041 and 1041S.....	2,452	0.25	-2.38	Form CT-1.....	2	--	-0.88
E-file returns, Forms 1041 and 1041S.....	1,212	8.52	10.98	Form 1042	27	0.76	1.32
Estate and trust estimated tax, Form 1041-ES.....	985	2.32	0.72	Tax-exempt organization	807	4.36	4.19
Partnership, Form 1065 and 1065B.....	2,291	6.68	5.99	Forms 990 and 990EZ.....	525	3.06	2.97
Corporation income tax, total.....	5,932	1.90	3.08	Form 990-PF.....	79	7.32	6.82
Form 1120.....	2,373	1.33	1.60	Form 990-T.....	70	2.79	2.84
Form 1120-A.....	267	-2.27	-1.02	Forms 990C, 4720, and 5227.....	132	8.79	8.21
Form 1120F.....	25	1.21	3.72	Employee plan, total ³	22	-95.92	-16.67
Form 1120-FSC.....	6	4.92	5.47	Form 5500.....	5	-96.38	-16.67
Form 1120-H.....	129	3.61	4.36	Form 5500-C/R.....	16	-95.54	-16.67
Form 1120-POL.....	6	--	-0.56	Form 5500EZ.....	1	-97.80	-16.67
Form 1120-RIC.....	12	6.31	6.21	Excise tax	908	2.44	2.59
Form 1120S.....	3,105	2.63	4.48	Form 8752	54	-2.18	-0.68
Other.....	8	3.75	5.42	Supplemental documents.....	16,762	3.10	3.44
Estate tax, Forms 706 and 706NA.....	139	9.92	4.16	Form 1040X	3,426	3.46	3.18
Gift tax, Form 709.....	329	3.53	4.42	Form 4868	8,042	3.48	3.75
Employment tax, total.....	29,747	0.70	0.82	Form 2688	2,341	2.25	2.67
By filing type:				Form 1120X	15	-5.70	-3.02
Paper, Forms 941, 940 series, total.....	24,857	-1.75	-1.45	Form 7004	2,938	2.41	3.54

¹ Form 1040PC will be discontinued in 2001.

NOTES: For definitions of most of the form numbers, see the text discussion and the footnotes to Table 1, at the end of this article. Detail may not add to totals due to rounding.

vidual Amended Return, which is included under the “supplemental documents” heading.

In CY 2001, the number of “total individual returns” filed is projected to reach 130.3 million. This number is projected to grow at an average annual rate of 1.6 percent from CY 2001 to CY 2007. At this rate, the projected number of “total individual returns” will reach 143.0 million by CY 2007. Of this number, 72.9 million are expected to be filed electronically.

☐ Total Individual Electronic Returns
Total individual electronic (*e-file*) returns include any individual income tax return filed via TeleFile or the standard electronic method, as described below. The projected number of individual returns to be filed electronically in CY 2001 is 42.3 million. Under existing trends, this number is expected to grow at an average rate of 12.0 percent per year. However, the projected *e-file* pattern for CY 2001 to 2007 is

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actually one of steeper growth in the initial forecasted years, followed by slower growth in the later years—in keeping with a growth pattern typical for a new commercial product.

□ Standard Electronic Returns

Standard *e-file* returns are non-TeleFile returns (defined below) filed through an authorized third party, or what is termed an “electronic return originator.” In general, standard *e-file* returns are filed either through tax practitioners or from a home computer via an “on-line” filing option. In CY 2001, standard *e-file* returns are projected to make up 28.9 million of the total individual returns filed. This reflects a relatively large increase (14.7 percent) over CY 2000. One of the more significant reasons for this increase is that many tax practitioners are expected to successfully switch many of their clients from the paper Form 1040PC to electronically-filed returns [2]. This trend among practitioner-prepared returns actually began in CY 1998 and is expected to continue in the future. Partly for this reason, the IRS has decided to eliminate the Form 1040PC beginning in CY 2001.

□ TeleFile

Returns filed via the TeleFile program are transmitted by the filer using a touch-tone phone. Filers of Form 1040EZ can opt to file using TeleFile in lieu of a paper return. Just over 4.9 million taxpayers are projected to file using TeleFile in CY 2001. This number is expected to increase 0.2 percent annually through CY 2007. The projected upward trend in TeleFile is relatively slow and is affected in part by “competition” from other *e-file* options such as on-line filing, as well as new education tax credits and student loan interest deductions that cannot be claimed on a TeleFile return.

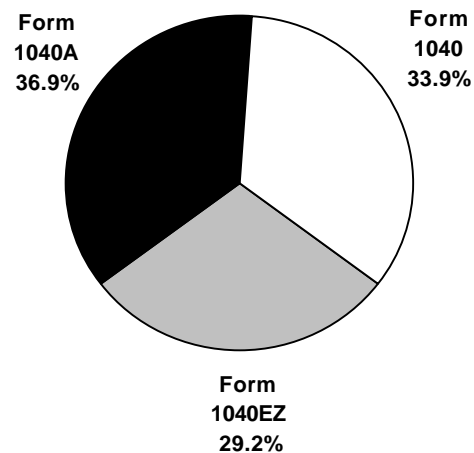
□ Electronic Returns by Type

The strength of the average annual growth rate of electronically filed individual income tax returns (12.0 percent) compared to that of total individual income tax returns (1.6 percent) is a clear indicator of the rate at which taxpayers

are switching to an electronic filing option. Of the 42.3 million total individual *e-file* returns projected to be filed in CY 2001, about 14.4 million could have been filed as Form 1040 paper returns (i.e., they had the characteristics which would require use of the “long” Form 1040, if filed on paper), 12.4 million could have been filed as “short” Form 1040EZ paper returns, and 15.6 million could have been filed as “short” Form 1040A paper returns [3]. Figure B presents this separation by form type.

Figure B

Electronically-Filed Individual Income Tax Returns by Form Type, Projections for Calendar Year 2001



Individual Estimated Tax Returns

Form 1040ES, *Estimated Tax for Individuals*, is used by filers who need to make advance tax payments and who expect their tax withholding to be less than 90 percent of their tax for the year in which they are filing. Individual taxpayers typically file more than one voucher (1040ES) during the course of the year, usually one per quarter. Approximately 40.5 million individual estimated tax vouchers are expected to be filed in CY 2001. This return category is expected to grow at an average annual rate of 2.1 percent over the period from CY 2001 to CY 2007. In CY 2007, about 45.7 million individual estimated tax returns are projected to be filed.

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Employment Tax Returns

Paper and electronic versions of several tax returns fall under the heading of "employment tax, total." These forms include: *Employer's Annual Federal Unemployment (FUTA) Tax Return* (Form 940 return series), *Employer's Quarterly Federal Tax Return* (Form 941 return series), *Employer's Annual Tax Return for Agricultural Employees* (Form 943 return series), *Annual Return of Withheld Federal Income Tax* (Form 945), and *Employer's Annual Railroad Tax Return* (Form CT-1).

Employment tax returns make up the third largest component of the "total primary returns" figure, after individual income tax returns and individual estimated tax vouchers. Approximately 29.7 million employment tax returns are projected to be filed in CY 2001. This is an increase of 0.7 percent over CY 2000. The number is expected to grow at an annual rate of 0.8 percent until CY 2007, when it is projected to reach 31.2 million. The relatively slow rate reflected for this series is based on actual filing experience in recent years and is due largely to the slow increase projected for the two largest components: the Form 940 and Form 941 return series.

The Form 941 return series is the largest in the employment tax category, with about 80 percent of the total. In CY 2001, an estimated 23.6 million returns from the Form 941 return series are expected to be filed. Both the Form 940 and Form 941 have a magnetic tape filing component [4]. That component is projected to reach 0.6 million magnetic tape Form 940 returns and 1.7 million magnetic tape Form 941 returns in CY 2001. The Form 941 return series also includes an *e-file* and a TeleFile component. These are expected to reach 1.6 million and 1.0 million, respectively, in CY 2001.

Return filings of Form 1042 (*Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*) are not included in the above total employment tax figure. They are instead reported separately on Table 1. Approximately 27,000 Form 1042 returns are expected to be filed in CY 2001, rising to a projected volume of about 29,000 by CY 2007.

Employee Plan Returns

Employee plan returns are filed by employers or other administrators of employee pension plans to report information on the benefits they provide [5].

Beginning in July 2000, responsibility for processing all employee plan returns associated with Return Year 1999 and beyond was assumed by the Department of Labor. However, other administrative responsibilities regarding employee plan returns will still be handled by the IRS. The IRS will also continue to be responsible for processing returns filed up to and including those for Return Year 1998. These are filed/processed from July 1999 to July 2001; none will be processed by IRS after June 2001. The forecasts included in Table 1 reflect this phaseout.

Partnership Returns

Form 1065, *U.S. Partnership Return of Income*, is filed by a partnership to report income, deductions, tax credits, or losses. The projected number of these returns to be filed in CY 2001 is 2.3 million. This number, an increase of 6.7 percent over CY 2000, is projected to keep increasing at an average rate of 6.0 percent per year. The number of partnership returns filed is expected to increase to 3.1 million by CY 2007.

Form 1065B, *U.S. Large Partnership Return of Income*, is also included in partnership returns. This form was introduced in CY 1999, and a relatively small number have been filed.

Corporation Income Tax Returns

Corporation income tax returns include a number of various form types. The vast majority of these returns are either Form 1120, *U.S. Corporation Income Tax Return*, or Form 1120S, *U.S. Income Tax Return for an S Corporation* (returns filed by qualifying corporations electing to be taxed through shareholders). The remainder of corporation income tax returns are filed by homeowners' associations (Form 1120-H) and real estate investment trusts (Form 1120-REIT), among others. Amended returns (Form 1120X) are not included under corporation income tax returns, but are instead listed under "supplemental documents." For CY 2001, the projected number of corporation returns filed is 5.9 million. This is a 1.9-percent increase over CY 2000. It is expected to continue to increase and reach 7.0 million by CY 2007, as Table 1 shows.

Excise Tax Returns

Excise tax returns include the following four return types: (1) *Occupational Tax and Registration*

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Return for Wagering (Form 11C), (2) Quarterly Federal Excise Tax Return (Form 720), (3) Tax on Wagering (Form 730), and (4) Heavy Vehicle Use Tax Return (Form 2290). Excise tax return projections exclude those processed by the Bureau of Alcohol, Tobacco and Firearms. The total number of excise tax returns filed with the IRS is projected to be 0.9 million in CY 2001. That number is expected to grow to 1.0 million by CY 2007.

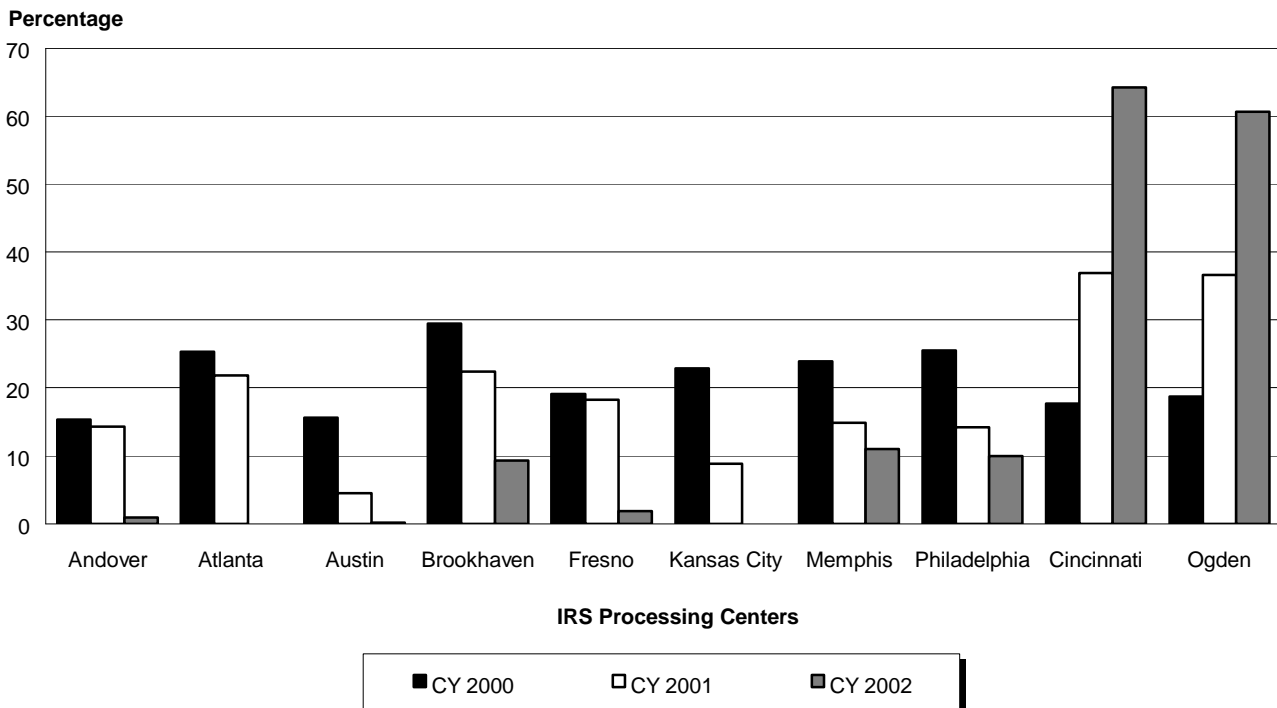
New Submission Processing Center Alignment
With a few exceptions, the IRS currently processes every type of return filed on paper in all ten of its submission processing centers nationwide. Beginning in CY 2001, however, this will no longer be true. The IRS will begin assigning the processing of specific types of tax returns to certain submission processing centers. Under the IRS modernization effort, virtually all business returns filed on paper will be processed in either Ogden, UT, or Cincinnati, OH.

These include such returns as employment, estate and trust income, tax-exempt organization, employee plan, partnership, estate, gift, and corporate tax returns. Paper individual tax returns and related forms, such as individual estimated tax vouchers, will be processed in the remaining eight submission processing centers. This transition will begin in CY 2001 and be complete by CY 2002.

IRS modernization plans for the centers will also lead to a consolidation of the receipt and processing of electronically-filed returns into fewer sites than are currently used. However, at the time these workload forecasts were made, no firm decisions had yet been made on that part of the consolidation effort. Still, combining the existing configuration for the processing of *e-file* and magnetic tape returns, with what is expected under the consolidation of paper returns, gives an idea of the nature of the changes under way in the IRS submission processing centers under the modernization effort. Figure C depicts the change,

Figure C

Business Returns as a Percentage of Expected Total, by IRS Processing Center, Calendar Years 2000-2002



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for the period CY 2000 through 2002, by showing the percentage share of each center's total returns processed that reflect business returns.

Projection Methodology

A variety of statistical methods was employed in the production of the projections included in this article. In general, each unique return (form) type has its own unique forecasting model. Among the forecasting methods are regression analysis, weighted moving averages, and other time series models incorporating historically-observed growth rates.

Partial-year data for CY 2000 were generally available at the time these projections were made. These partial-year data, which typically included actual return counts through August 2000, were extrapolated for the full year to form estimations of return counts for CY 2000.

Regression Analysis

One of the most common methods used in forecasting these form types is regression analysis. It is used when a solid statistical relationship can be formed between the historical filings of a tax return and an economic or demographic independent variable. Some examples of these independent variables include estimates of gross domestic product (GDP), personal income, and total employment, provided by Data Resources, Inc. (DRI)/McGraw Hill. Where applicable, these variables are lagged 1 year to reflect their effect on the filings of the tax return for the specific tax year.

Time Series Analysis

In the case where no statistically relevant relationship can be found between the filing pattern of a form type and any independent variable, time series analysis is normally the next technique used for projecting the returns filed. The two most common forms of time series analysis used by IRS staff are weighted moving average and exponential smoothing.

Growth Rates

If the actual recorded data are insufficient to form the basis for a reliable statistical projection model, then simple growth rates are the alternative approach used. This method assumes that, for a given form type, a previously-observed growth pattern will

continue into the future for a limited number of years. In the event that the data are insufficient to derive a growth pattern, the pattern of a related form with an established trend is used as a proxy.

Off-Model Adjustments

"Off-model adjustment" is a term used to refer to changes made to the initial projection derived by one of the methods mentioned above. These changes are made in the case of legislative or administrative changes which the above-mentioned techniques are not designed to take into account. As mentioned earlier, these legislative or administrative changes must be formally enacted or otherwise reasonably certain to occur (at the time the forecasts are made) in order to be considered.

Notes and References

- [1] All values in Table 1 are taken from the 2000 update of *Calendar Year Return Projections for the United States and Service Centers: 1999-2007*, IRS Document 6186, November 2000, National Headquarters Office of Research, Internal Revenue Service, U.S. Department of the Treasury.
- [2] Form 1040PC is a variable-length individual income tax return that is generated on IRS-approved computer software.
- [3] These values are taken from the fall 2000 update of *Calendar Year Projections of Individual Returns by Major Processing Categories*, Document 6187, October 2000, National Headquarters Office of Research, Internal Revenue Service, U.S. Department of the Treasury. Detail does not add to totals because of rounding.
- [4] Magnetic tape refers to returns filed and processed on magnetic tape at the IRS submission processing centers.
- [5] Employee plan returns include *Annual Return/Report of Employee Benefits Plan (with more than 100 participants)* (Form 5500), *Annual Return/Report of Employee Benefits Plan (with fewer than 100 participants)* (Form 5500C/R), and *Annual Return of One Participant Pension Benefit Plan* (Form 5500EZ).

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SOURCE: IRS, Statistics of Income Bulletin,
Winter 2000-2001, Publication 1136 (Rev. 2-2001).

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Table 1.--Number of Returns Filed, or To Be Filed, With the Internal Revenue Service, Calendar Years 1999-2007

[Numbers of returns are in thousands]

Type of return	Actual 1999	Estimated ¹ 2000	Projected						
			2001	2002	2003	2004	2005	2006	2007
			(1)	(2)	(3)	(4)	(5)	(6)	(7)
Grand total.....	224,403	228,287	232,467	236,655	240,760	244,836	248,944	253,418	258,076
Total primary returns.....	208,736	212,030	215,705	219,354	222,909	226,421	229,950	233,822	237,857
Individual income tax, total	125,390	127,867	130,266	132,302	134,260	136,224	138,226	140,510	142,953
Forms 1040, 1040A, 1040EZ, and 1040PC, total	124,887	127,326	129,706	131,723	133,661	135,606	137,587	139,851	142,272
Total paper returns.....	95,558	91,961	87,365	81,575	76,757	73,613	71,447	70,157	69,406
Form 1040.....	61,623	60,750	61,035	57,925	55,420	53,596	52,237	51,395	50,894
Form 1040A.....	15,589	14,863	15,625	13,893	12,336	11,422	10,824	10,415	10,118
Form 1040EZ.....	11,834	11,190	10,705	9,756	9,000	8,596	8,387	8,347	8,395
Form 1040PC ²	6,512	5,159	--	--	--	--	--	--	--
Electronically-filed returns, total.....	29,330	35,365	42,341	50,148	56,905	61,992	66,140	69,694	72,866
On-line filing.....	2,458	5,015	8,521	12,904	16,517	18,804	20,424	21,695	22,814
Practitioner electronic filing.....	21,207	25,191	28,898	32,391	35,505	38,277	40,780	43,038	45,070
TeleFile.....	5,665	5,159	4,921	4,853	4,884	4,911	4,936	4,960	4,982
Forms 1040NR, 1040PR, and 1040SS, total.....	503	541	560	579	599	619	639	660	681
Individual estimated tax, Form 1040-ES.....	39,332	39,398	40,535	41,479	42,356	43,192	43,994	44,838	45,683
Estate and trust income tax, Forms 1041 and 1041S, total.....	3,403	3,563	3,665	3,745	3,814	3,886	3,956	4,032	4,113
Paper estate and trust returns.....	2,404	2,446	2,452	2,431	2,359	2,291	2,222	2,158	2,102
Magnetic tape/e-file returns.....	999	1,117	1,212	1,314	1,455	1,595	1,735	1,873	2,011
Estate and trust estimated tax, Form 1041-ES.....	901	962	985	992	999	1,006	1,013	1,020	1,027
Partnership, Forms 1065 and 1065B.....	1,975	2,148	2,291	2,426	2,565	2,702	2,840	2,977	3,114
Corporation income tax, total.....	5,398	5,822	5,932	6,090	6,277	6,465	6,653	6,841	7,028
Form 1120.....	2,202	2,342	2,373	2,411	2,449	2,487	2,525	2,563	2,601
Form 1120-A.....	261	274	267	266	263	259	257	254	251
Form 1120-F.....	23	25	25	26	27	28	29	30	31
Form 1120-FSC.....	6	6	6	7	7	7	8	8	9
Form 1120-H.....	116	125	129	134	139	146	152	157	163
Form 1120-POL.....	6	6	6	6	6	6	6	6	6
Form 1120-RIC.....	10	11	12	13	13	14	15	15	16
Form 1120-S.....	2,767	3,026	3,105	3,220	3,364	3,508	3,652	3,796	3,941
Other.....	8	8	8	9	9	10	10	11	11
Estate tax, Forms 706 and 706NA ³	116	126	139	151	164	177	166	157	173
Gift tax, Form 709 ⁴	292	317	329	342	356	370	385	400	416
Employment tax, total.....	28,974	29,540	29,747	29,977	30,212	30,436	30,696	30,968	31,211
By filing type:									
Paper, Forms 941, 940 series, total.....	24,988	25,299	24,857	24,413	24,063	23,704	23,372	23,048	22,697
Magnetic tape returns, Forms 941, 940 series, total.....	1,785	2,128	2,280	2,495	2,795	3,101	3,415	3,736	4,063
E-file and TeleFile returns, Form 941, total.....	2,201	2,113	2,610	3,068	3,354	3,631	3,909	4,183	4,451
By form type:									
Forms 940, 940EZ, and 940PR, total.....	5,479	5,559	5,600	5,642	5,688	5,725	5,764	5,814	5,875
Paper Forms 940, 940EZ, and 940PR.....	4,909	4,933	4,914	4,880	4,827	4,771	4,716	4,669	4,631
Magnetic tape returns, Form 940.....	570	626	686	763	861	954	1,049	1,145	1,244
Forms 941, 941PR, 941SS, and 941E, total.....	22,985	23,476	23,648	23,841	24,036	24,229	24,455	24,682	24,871
Paper Forms 941, 941PR, 941SS, and 941E.....	19,569	19,860	19,443	19,040	18,748	18,451	18,180	17,908	17,601
Magnetic tape returns, Form 941	1,215	1,503	1,655	1,807	2,024	2,246	2,475	2,709	2,947
E-file returns, Form 941	1,300	1,274	1,579	1,892	2,106	2,329	2,554	2,774	2,992
TeleFile returns, Form 941	901	839	971	1,102	1,158	1,202	1,247	1,291	1,331
Forms 943 and 943 PR.....	316	308	301	294	286	279	271	264	256
Form 945.....	191	196	197	199	200	202	204	206	207
Form CT-1.....	2	2	2	2	2	2	2	2	2

Footnotes at end of table.

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Table 1.--Number of Returns Filed, or To Be Filed, With the Internal Revenue Service, Calendar Years 1999-2007--Continued

[Numbers of returns are in thousands]

Type of return	Actual 1999	Estimated ¹ 2000	Projected							
			2001	2002	2003	2004	2005	2006	2007	
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total primary returns--continued										
Form 1042 ⁵	26	26	27	27	27	27	28	28	29	
Tax-exempt organization ⁶	693	773	807	840	874	908	942	976	1,009	
Forms 990 and 990EZ.....	458	509	525	541	556	572	587	603	618	
Form 990-PF.....	65	74	79	85	90	95	101	106	112	
Form 990-T.....	63	68	70	72	74	76	78	80	82	
Forms 990C, 4720, and 5227.....	107	122	132	143	154	165	176	187	198	
Employee plan, total ⁷	1,363	546	22	--	--	--	--	--	--	
Form 5500.....	207	149	5	--	--	--	--	--	--	
Form 5500-C/R.....	885	361	16	--	--	--	--	--	--	
Form 5500EZ.....	271	36	1	--	--	--	--	--	--	
Excise tax ⁸	822	886	908	930	953	976	1,000	1,024	1,049	
Form 8752 ⁹	52	55	54	54	53	53	52	52	52	
Supplemental documents.....	15,666	16,257	16,762	17,301	17,851	18,415	18,994	19,597	20,219	
Form 1040X ¹⁰	3,132	3,312	3,426	3,529	3,632	3,735	3,842	3,958	4,079	
Form 4868 ¹¹	7,509	7,772	8,042	8,321	8,608	8,904	9,209	9,525	9,851	
Form 2688 ¹²	2,240	2,289	2,341	2,395	2,452	2,513	2,577	2,644	2,715	
Form 1120X ¹³	16	16	15	14	14	13	13	13	12	
Form 7004 ¹⁴	2,769	2,869	2,938	3,042	3,146	3,250	3,354	3,458	3,562	

¹ Estimated based on information available as of July 2000.

² Form 1040PC will be discontinued in 2001.

³ U.S. Estate Tax Return.

⁴ U.S. Gift Tax Return.

⁵ Form 1042 is the annual withholding tax return for U.S.-source income of foreign persons.

⁶ Includes Forms 990, 990EZ, 990C, 990PF, 990T (exempt organization business income tax return), 4720, and 5227.

⁷ IRS processing of Form 5500 series returns is being phased out by Calendar Year 2001, reflecting the gradual transfer of processing responsibilities to the Department of Labor.

⁸ Includes Forms 11C, 720, 730, and 2290. Therefore, excise tax returns filed with the Bureau of Alcohol, Tobacco and Firearms are excluded.

⁹ Form 8752 is filed by partnerships and S corporations electing either to maintain or establish any taxable year other than the required calendar year.

¹⁰ Amended individual income tax return.

¹¹ Application for automatic extension of time in which to file individual income tax return.

¹² Application for additional extension of time in which to file individual income tax return.

¹³ Amended corporation income tax return.

¹⁴ Application for extension of time to file corporation income tax return.

NOTES: Most form numbers mentioned in this table are defined in the text discussion. Detail may not add to totals because of rounding.