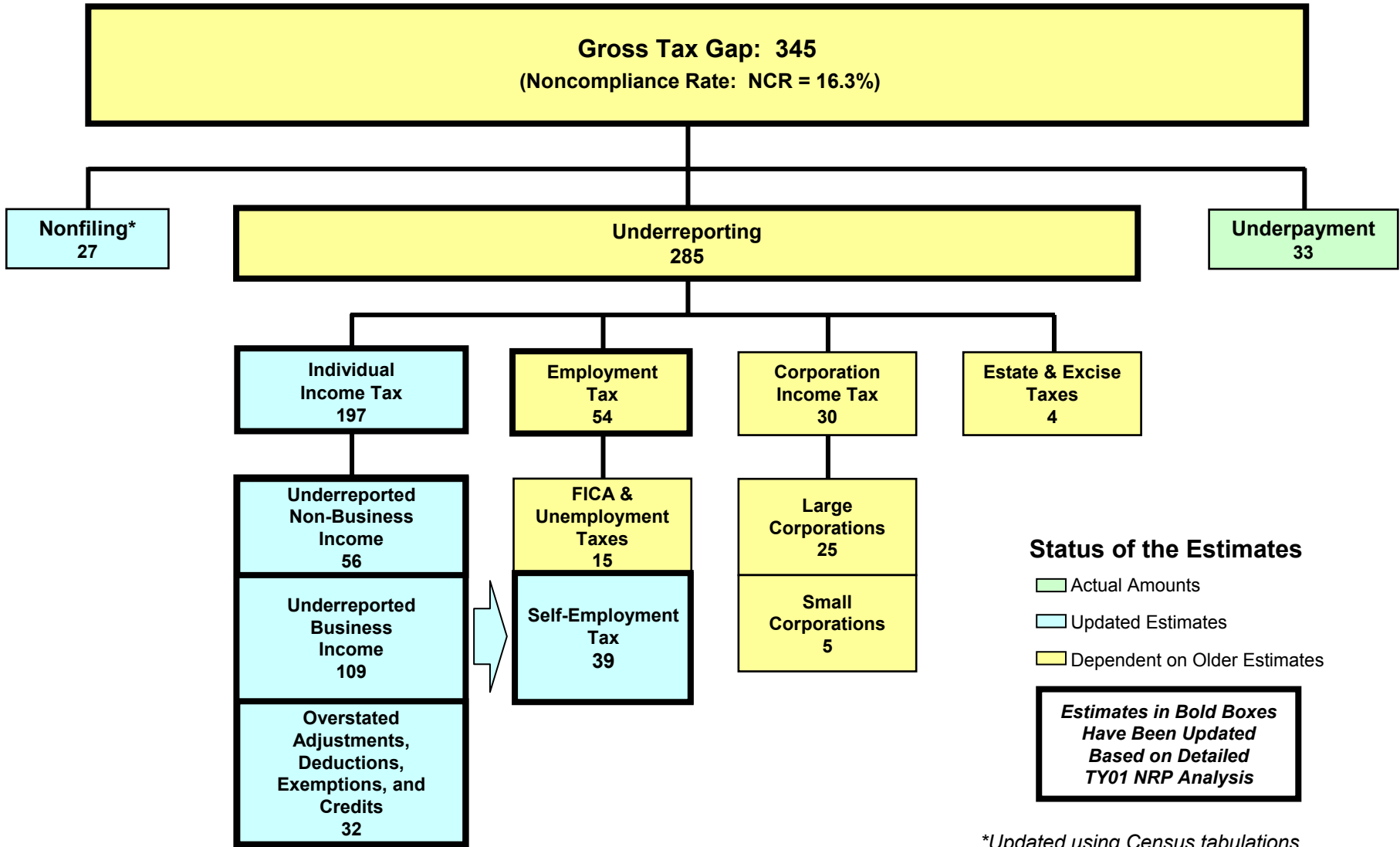


Tax Year 2001 FEDERAL TAX GAP

(in Billions of Dollars)



Status of the Estimates

- Actual Amounts
- Updated Estimates
- Dependent on Older Estimates

Estimates in Bold Boxes Have Been Updated Based on Detailed TY01 NRP Analysis

*Updated using Census tabulations

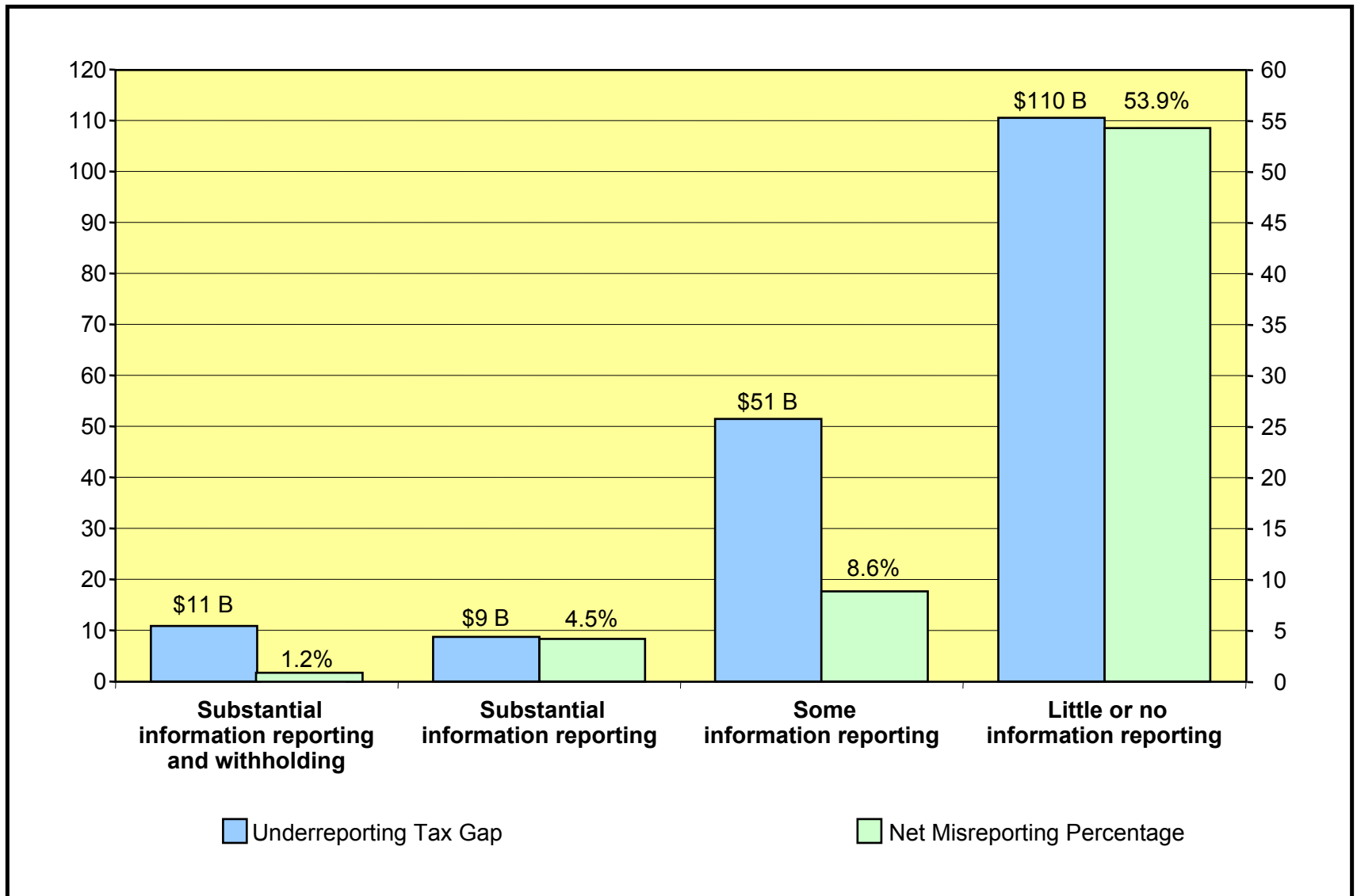
Individual Income Tax Underreporting Gap Estimates, Tax Year 2001

<i>Type of Income or Offset</i>	<i>Tax Gap (\$B)</i>	<i>NMP †</i>
Total Underreporting Gap	197	18%
Underreported Income	166	11%
<i>Non-Business Income</i>	56	4%
Wages, salaries, tips	10	1%
Interest income	2	4%
Dividend income	1	4%
State income tax refunds	1	12%
Alimony income	*	7%
Pensions & annuities	4	4%
Unemployment Compensation	*	11%
Social Security benefits	1	6%
Capital gains	11	12%
Form 4797 income	3	64%
Other income	23	64%
<i>Business Income</i>	109	43%
Nonfarm proprietor income	68	57%
Farm income	6	72%
Rents & royalties	13	51%
Partnership, S-Corp, Estate & Trust, etc.	22	18%
Overreported Offsets to Income	15	4%
Adjustments	-3	-21%
SE Tax deduction	-4	-51%
All other adjustments	1	6%
Deductions	14	5%
Exemptions	4	5%
Credits	17	26%
Net Math Errors (non-EITC)	*	

† NMP = Net Misreporting Percentage

* Less than \$0.5 billion.

Individual Income Tax Underreporting Gap



Individual Income Tax Underreporting Gap Little or No Information Reporting

(Dollars in Billions)

