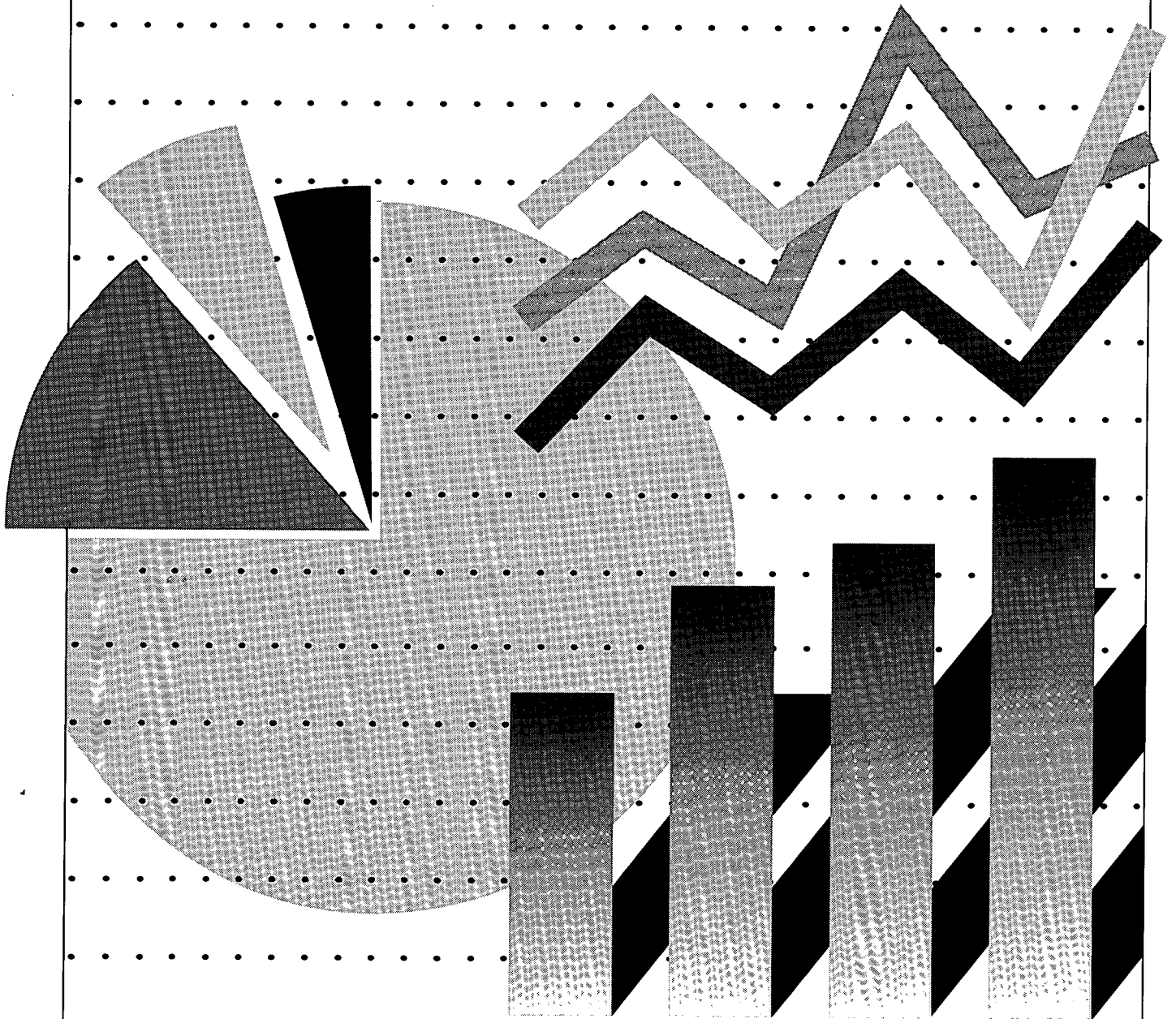


# SOI BULLETIN

WINTER 1992-1993



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Internal Revenue Service**

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**Michael P. Dolan**  
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**David G. Blattner**  
Chief Operations Officer

**Judy K. Van Alfen**  
Assistant Commissioner  
(Returns Processing)

**Fritz Scheuren**  
Director, Statistics of Income Division

# SOI BULLETIN

*A Quarterly Statistics of Income Report*

## Volume 12, Number 3

The *Statistics of Income (SOI) Bulletin* is issued quarterly, in July, October, January and April, by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers and tax administrators. It also includes personal income and tax data by State and historical data for selected types of taxpayers, in addition to data on tax collections and refunds and on other tax-related items.

Information on the availability of supplemental data on the topics included in this issue, special tabulations undertaken on a reimbursable basis, or other SOI subjects, may be obtained by telephoning the SOI Statistical Information Services office (202-874-0410), or by writing to the Director, Statistics of Income Division R-5, Internal Revenue Service, P.O. Box 2608, Washington, D.C. 20013-2608.

Robert Wilson and Beth Kilss of the Statistics of Income Division are the technical editors of the *Bulletin*. Wendy Alvey, Paul Arnsberger, Clementine Brittain, John Glynn, James Hobbs, Bettye Jamerson, Ruth Schwartz and James Willis made major contributions in the production of this issue. Views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department or the Internal Revenue Service.

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# Bulletin Board

## This Issue at a Glance

### Domestic Corporations Controlled by Foreign Persons, 1989

By James R. Hobbs

For 1989, there were 44,840 U.S. corporations each "controlled" by a foreign "person." These foreign-controlled domestic corporations (FCDC's) generated \$1.0 trillion in receipts and reported total assets of \$1.4 trillion. Their net income (less deficit) was \$8.3 billion, down from \$11.2 billion the year before. This was due mostly to a sharp increase in the deficit reported by FCDC's without net income, rather than to a decline in the net income by companies reporting a profit. As a result, the U.S. income tax reported by FCDC's increased, to \$6.2 billion. FCDC's that were manufacturers predominated, accounting for about three-fourths of total net income (less deficit). Companies classified in wholesale or retail trade were second. Japanese-owned corporations reported over 25 percent of the total receipts of all FCDC's, followed by companies owned by a "person" resident in the United Kingdom (18 percent).

### Private Foundations and Charitable Trusts, 1989

By Alicia Meckstroth

For 1989, private foundations rebounded from the revenue losses they reported for the 2 previous years, with revenues that increased to \$19.9 billion, 22 percent more than 1988. This was mostly due to sharp increases reported for contributions, dividends and interest received on securities and net gains from asset sales. Foundation assets also increased, by 18 percent, to \$151.7 billion. Contributions and grants distributed continued to grow at a consistent level, 10 percent for 1989, reaching \$8.1 billion. In comparison, between 1986 and 1988, private foundations, while realizing declining revenues, increased grant payments at a 14-percent rate. Statistics for 1989 on charitable trusts treated as private foundations (the first data since 1979) show that they realized \$404.6 million in revenues and reported \$2.9 billion in total assets, while distributing \$143.7 million in charitable contributions and grants.

### Environmental Excise Taxes, 1990

By Susan J. Mahler

Environmental excise taxes (excluding those for ozone-depleting chemicals) were reported by 754 businesses for 1990 and amounted to \$1.11 billion before adjustments and credits. (After adjustments and credits, the tax was

\$1.07 billion.) The 31-percent increase over 1989 was due almost entirely to the new Oil Spill Liability Trust Fund tax on petroleum. This tax accounted for 24 percent of the total tax for 1990; the remainder was credited to the Hazardous Substance Trust Fund or Superfund. Tax attributable to petroleum represented almost three-fourths of the total combined tax. Five companies accounted for almost 30 percent of this total.

### Projections of Returns to be Filed in Calendar Years 1993-1999

By Carolyn De Wilde

Revised projections indicate that 206.4 million tax returns will be filed in Calendar Year 1993, an increase of 1.6 percent over 1992. This number is expected to increase to 229.7 million by 1999. Individual income tax returns account for over half of the total and are expected to grow from 117.0 million in 1993 to 130.4 million in 1999. The average annual rate of increase in total returns filed during the period 1993 through 1999 is now projected at 1.8 percent.

### Foreign Trusts, 1990

Data Release

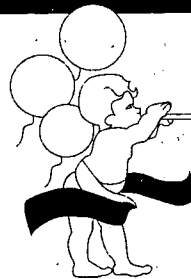
### Individual Foreign-earned Income and Tax Credit, by Country, 1987

Data Release

### Federal Personal Income Tax Liabilities and Payments, 1959-1991

An Invited Paper by Thae S. Park, Bureau of Economic Analysis, U.S. Department of Commerce

## Some Observations and Insights



Happy New Year! For the new year, we have decided that this column should take a look ahead... As you know from previous issues, we in Statistics of Income (SOI) have jumped on the Quality bandwagon. As part of our continuing efforts to

become a Total Quality Organization (TQO), we have recently developed a detailed TQO Plan for 1993. In this issue we would like to share some of the aspects of this plan with you.



## Bulletin Board

The TQO Plan began with the Division's Quality Council, which is made up of SOI's Director and senior managers. They identified a number of "vital issues" which need to be addressed in the new year to move us toward our goal. Teams were then set up to look at each of these issues and come up with proposals for meeting the teams' objectives. It was the team's responsibility to define each vital issue and identify a list of "key activities" for the Division to carry out in 1993.

For this column, we will focus on one of these vital issues — Expanding Customer Products. Later in the year, we will discuss others which may be of interest to our users — especially Enhancing Customer Service. Also, as new milestones are achieved, we will be sure to let you know.

### Expanding Customer Products

Our current system for delivering customer products has started to change over the last several years. In the past, we have provided data files on several magnetic tape reels, with stacks of 11" x 17" computer printouts. We have begun to explore other electronic media and are reaching out to our customers to learn more about their data needs — both in terms of new modes of delivery, as well as specifications for current products and possible new data items.

In the past, our focus has been on our primary users — the Treasury Department's Office of Tax Analysis, the Congressional Joint Committee on Taxation and the Commerce Department's Bureau of Economic Analysis. While we must continue to support these primary users, our TQO approach will be aimed at every user of SOI data.

The team's vision for the Division is to produce new data products, to improve existing products and to create an environment in which information flows in both directions — from SOI to the customer and from the customer to SOI — so that the interaction becomes a partnership of both cultures.

There are several current initiatives. Customers — beginning with the Office of Tax Analysis — are being contacted to better determine their product needs, to gain insight into how our data are being used and also to strengthen working relationships. We hope to expand this effort to all our users in the future. Over the past couple of years, SOI has started to send data on diskettes to our

**We are reaching out to our customers to learn more about their data needs.**

major customers, giving them easier access to the data for use on their personal computers; this and other data distribution efforts will be broadened. An electronic bulletin board has been developed and we are committed to augmenting it. Finally, desktop publishing capabilities will continue to increase over the next several years.

The TQO team identified seven key activities to focus on for the new year. They include:

- Providing the Office of Tax Analysis direct computer access to SOI data files as soon as the tax return records are processed, throughout the year — of course, confidentiality constraints prohibit similar arrangements for most of our other users;
- Expanding distribution of SOI data — both advanced and final data estimates — via various media, to broaden the customer base;
- Developing meta-data systems — i.e., information about the data, including details on how each item was processed and how to use the data files — for the Individual SOI program;
- Expanding information on the electronic bulletin board, to provide the earliest possible release of current data, including updates of the historical time series tables published in the *SOI Bulletin*, and enlarging the user base — feedback from the current bulletin board users will be evaluated on a continuing basis to ensure that we are doing what we can to meet their needs;
- Continuing to develop our desktop publishing capabilities, by considering applications that go beyond the *SOI Bulletin*, to include SOI annual reports and other data-related publications;
- Exploring the possibility of creating at least one new public-use data file over the next year — confidentiality restrictions permitting; and
- Developing systems to produce projected SOI data estimates on demand, before the data files are complete.

Over the next year, the Customer Products Team will try to connect all on-going initiatives dealing with customers: it will coordinate the development of new data products, work to improve the existing data products and focus on building a lasting relationship with customers, while expanding SOI products on an "as requested" basis. One of its long-term goals is to develop one new data product within the next year. It will also concentrate on strengthening our working partnerships with the main SOI

## Bulletin Board

users, expanding SOI products, further improving timeliness of the data and extending these efforts to a broader customer base over the next several years.

While many of you may not reap any immediate benefits, please do not be discouraged. We are committed to serving you; so, we ask that you keep us informed of your needs and concerns by calling us or writing to us:

Statistics of Income Division R:S

Internal Revenue Service

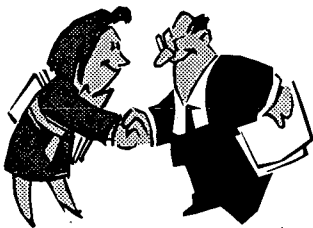
P.O. Box 2608

Washington, DC 20013-2608

Telephone: (202) 874-0410

This will help us carry out our plans.

### Behind the Scenes



The SOI 1993 TQO Plan was the unofficial theme of the this fall's SOI Consultants' Panel meeting at The Brookings Institution. The Panel, now in its seventh year, meets semi-annually, to

give SOI a chance to get additional direct feedback from its customers. The Panel members are academic and other experts in taxation, economics, statistics and demography, from the public and private sectors. For the fall meeting, there were about 75 people in attendance — the panel members, themselves; representatives from Revenue Canada Taxation; the National Academy of Sciences; Mathematica Policy Research; Price Waterhouse; the American Council of Life Insurance; academia; and several Federal and State Government agencies. A large number of SOI staff members also participated, as well as the Division Director and all of our senior managers.

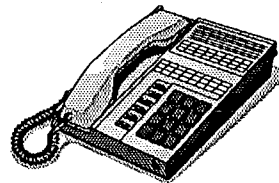
The agenda focused on customer products and services, with an emphasis on new data now available and plans for the future. SOI staff who made formal presentations included **Amy Gill** and **Patty Treubert**, who provided the latest available data on the corporate alternative minimum tax; **Beth Kilss** and **Jim Hobbs**, who described some of the new approaches to customer outreach; and **Barry Johnson**, **Allison Clark** and **Nancy Collins**, who spoke about efforts they are involved in to improve the quality of tax statistics in several of the subject matter areas.

Other speakers included some of the consultants and observers, many of whom reported on their own research using SOI data. One talk, in particular, dealt with work that **Martin David** of the University of Wisconsin is doing for SOI under contract. He spoke of the need for

meta-data — that is, information on the data capture process — to accompany data that are provided to the users. He described some of the kinds of meta-data that would be useful — for example, what kind of editing has been done to a particular data item or what sampling weights have been applied — and reported on his current efforts to help us implement that kind of documentation on a routine basis. As mentioned above, we are committed to pursue this very important new product for our users in the new year.

It should also be mentioned that the SOI speakers cited above were featured speakers at the National Tax Association's Annual Conference in Salt Lake City this past fall. They were joined by **Tom Petska**, who presented a paper co-authored with **Fritz Scheuren**, which describes SOI efforts to turn tax administration data into information systems for tax policy research. A longer version of that paper, which will be appearing in the *Journal of Official Statistics* later this year, provides a glimpse at SOI's philosophy toward customer service and our plans to expand this effort in the future.

### Your Call



The Statistical Information Services (SIS) office continues to receive positive feedback from the vast majority of its customers and we thank you! As the demand

for information has continued to flood in, the staff has grown, in order to meet that demand in a timely and competent manner.

We thought you might enjoy a little information about the kind of requests we receive (over 4,000 telephone and written requests last year alone). The table below provides some insight.

Inquirer	Telephone	Written request
Total.....	100.0%	100.0%
Consultant/researcher.....	19.4	17.5
Accounting firm.....	3.4	8.0
Association.....	6.0	10.9
Law firm.....	3.0	5.9
Other private business.....	6.9	5.9
College.....	5.4	15.2
Public library.....	0.5	0.2
Private citizen.....	11.5	13.5
State/local Government.....	7.7	13.5
Internal Revenue Service.....	16.1	1.5
Congressional.....	4.9	1.7
Other Federal Government.....	8.5	1.3
Foreign.....	0.5	1.7
Media.....	5.0	2.1
Student.....	1.2	0.8
Other.....	--	0.2

Note: Detail may not add to totals because of rounding.

## Bulletin Board

While compilations on the subjects of data inquiries are not available — we hope to have this type of information fully computerized by this time next year — it is no surprise that many of the requests received this year had to do with individual income tax returns with adjusted gross income of \$200,000 or over — 835,000 for Tax Year 1990. Other frequent inquiries involved capital gains and county and State migration.

### **Our Apologies...!**

Due to unanticipated problems during the publication process, some errors crept into the historical time series tables just as the Fall 1992 *SOI Bulletin* was going to print. We are now aware of what caused the problems and those tables have been corrected for this issue.

We hope these errors did not cause any inconvenience to you. If you need help in interpreting the data in the Selected Historical and Other Data section or notice what appears to be an inconsistency in the data that you need to have resolved, please call the Statistical Information Services office at (202) 874-0410 or consult the electronic bulletin board by dialing (202) 874-9574. Who knows? You may have found something that we have not yet noticed; in which case, we will be indebted to you!

### **SOI Electronic Bulletin Board: Update**

Over 100 files are now available for access on the SOI electronic bulletin board system (BBS). They include data from recent *SOI Bulletin* publications for returns covering individuals, corporations, partnerships, sole proprietorships and estates. The BBS also contains files on personal wealth and international topics — such as foreign tax credits and Controlled Foreign Corporations — as well as tax collections and refunds from IRS administrative systems.

New additions include data from the Fall *Bulletin* on private foundations and charitable trusts, U.S. possessions corporations, and international boycott participation, as well as updates of the historical time series tables. Also added is the text of a paper by **Fritz Scheuren** and **Tom Petska**, "Turning Administrative Systems into Information Systems."

To access the BBS or to obtain more information about it, here are the phone numbers you will need to know:

(202) 874-9574 (analog — most users) or

(202) 874-0408 (Treasury digital system users)

Systems Administrator: **Jim Willis** (202) 874-0408

Systems Coordinator: **Jim Hobbs** (202) 874-0268.

### **Upcoming Features**

The following are some of the articles planned for inclusion in upcoming issues of the *SOI Bulletin*:

- Individual Income Tax Returns, Preliminary Data, 1991;
- High-Income Individual Income Tax Returns, 1989;
- Estate Tax Returns, Year of Death: 1989;
- Estimates of Personal Wealth, 1989; and
- Individual Income Tax Rates and Tax Shares, 1988-1989.

Future "data releases" include:

- Foreign Recipients of U.S. Income, 1990;
- Nonresident Alien Estate Tax Returns, 1990;
- Corporate Alternative Minimum Tax, 1987-1990;
- Foreign Corporations with U.S. Operations, 1989; and
- Transactions of Foreign-Controlled U.S. Corporations, 1989.

# Revisions to the Fall 1992 and Summer 1991 Issues

## U.S. Possessions Corporation Returns, 1989 and 1987

The following paragraph from the data release on "U.S. Possessions Corporation Returns, 1989" that appeared on page 97 of the Fall 1992 SOI Bulletin has been revised to reflect a correction made to 1987 data referred to in the release. The corrected 1987 data are shown in the revised table below; data in this table originally appeared on page 60 of the Summer 1991 issue of the Bulletin in the article, "U.S. Possessions Corporation Returns, 1987."

Table 2 presents tax benefit, employment and compensation information classified by industrial group for

manufacturing corporations located in Puerto Rico for which Federal unemployment tax data (Form 940) were available [4]. The ratio of tax benefits to compensation paid to employees (expressed as a percentage) fell from 128.5 in 1987 to 108.9 in 1989. On a per worker basis, companies received \$22,375 in tax benefits, while paying \$20,540 in compensation. Chemical manufacturers claimed the largest amount of benefits per worker, receiving more than \$64,000 in tax benefits for each of their employees and paying less than \$30,000 in compensation per employee.

**Table 2.--Returns of Active Manufacturing U.S. Possessions Corporations Conducting Business in Puerto Rico: Tax Benefits, Employment and Compensation of Employees, by Selected Industrial Group, 1987**

[Money amounts are in thousands of dollars, except as noted]

Selected manufacturing industries	Number of returns	Gross number of workers	Gross compensation <sup>1</sup>	Compensation per worker (whole dollars)	Benefits per worker (whole dollars)	Ratio of benefits per worker to compensation per worker (percent)
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All manufacturing industries.....</b>	<b>397</b>	<b>100,916</b>	<b>1,798,127</b>	<b>17,818</b>	<b>22,904</b>	<b>128.5</b>
Food and kindred products.....	25	10,364	174,072	16,795	17,338	103.2
Textile mill products.....	4	255	4,581	17,964	1,215	6.8
Apparel and other textile products.....	53	17,363	187,131	10,778	2,022	18.8
Men's and boys' clothing.....	12	4,546	52,727	11,597	2,585	22.3
Women's and children's clothing.....	24	7,004	73,711	10,524	2,164	20.6
Hats, caps and other accessories.....	10	3,825	38,743	10,128	1,465	14.5
All other textile products.....	7	1,987	21,949	11,048	1,302	11.8
Paper and allied products.....	6	135	2,452	18,098	12,522	69.2
Printing and publishing.....	4	235	3,750	15,976	11,594	72.6
Chemicals and allied products.....	89	21,116	546,680	25,890	65,173	251.7
Industrial chemicals, plastics materials and synthetics.....	11	1,012	27,694	27,362	45,476	166.2
Drugs.....	60	18,384	486,654	26,471	70,788	267.4
Soap, cleaners and toilet goods.....	9	738	14,376	19,493	19,481	99.9
All other chemical and allied products.....	9	982	17,957	18,291	14,655	80.1
Petroleum (including integrated) and coal products.....	5	716	27,602	38,549	37,170	96.4
Rubber and miscellaneous plastics products.....	15	2,449	39,119	15,972	10,099	63.2
Leather and leather products.....	15	4,036	43,600	10,802	3,015	27.9
Footwear, except rubber.....	11	3,753	40,283	10,734	2,791	26.0
All other leather products.....	4	283	3,317	11,714	5,982	51.1
Fabricated metal products.....	29	3,189	52,130	16,348	5,793	35.4
Metal cans and containers.....	6	1,559	25,997	16,670	3,463	20.8
Cutlery, hand tools, screws and bolts.....	5	384	4,628	12,048	2,723	22.6
All other fabricated metal products.....	18	1,245	21,505	17,270	9,658	55.9
Machinery, except electrical.....	6	2,799	69,582	24,858	17,216	69.3
Electrical and electronic equipment.....	73	23,180	390,793	16,859	16,450	97.6
Radio, television and communication equipment.....	16	3,803	58,696	15,433	17,945	116.3
Electronic components.....	31	7,181	126,643	17,635	14,733	83.5
All other electrical and electronic equipment.....	26	12,195	205,453	16,847	16,995	100.9
Transportation equipment.....	5	858	12,689	14,795	7,731	52.3
Instruments and related products.....	43	7,071	143,685	20,319	21,374	105.2
Scientific equipment.....	9	1,040	25,728	24,750	50,405	203.7
All other instruments and related products.....	34	6,032	117,957	19,558	16,370	83.7
Miscellaneous manufacturing and manufacturing	19	3,115	47,333	15,193	8,125	53.5

<sup>1</sup> Gross compensation of employees is computed by multiplying total wages (from Form 940) by 1.235. The additional 23.5 percent represents employer-paid non-payroll costs such as social security payments.

# Domestic Corporations Controlled by Foreign Persons, 1989

by James R. Hobbs

**F**or 1989, the 44,840 domestic corporations each "controlled" by a foreign "person" generated \$1.0 trillion of worldwide receipts and reported total assets amounting to \$1.4 trillion. These corporations, 1.2 percent of the U.S. total, accounted for 8.8 and 8.1 percent of the receipts and assets, respectively, reported on U.S. corporation income tax returns. During the 1984-1989 period, foreign-controlled domestic corporations accounted for an increasingly larger percentage of the receipts and assets reported by all corporations (see Figure A).

The net income (less deficit) for foreign-controlled domestic corporations (FCDC's) was \$8.3 billion for 1989, less than the 1988 amount of \$11.2 billion and more than the 1987 amount of \$5.6 billion. Net income (less deficit) as a percentage of receipts was relatively small for FCDC's when compared to other domestic corporations; for 1989, 0.9 and 3.1 percents, respectively. Previous years showed similar differences.

Manufacturers accounted for \$6.7 billion, or over four-fifths, of the 1989 total net income

(less deficit) for FCDC's. These same companies produced 41 percent of the total receipts for FCDC's. By comparison, wholesalers accounted for 34 and 17 percent of FCDC total receipts and net income (less deficit), respectively.

Profitable companies in all industries reported \$20.8 billion of taxable income, a small increase for 1989. FCDC's also reported \$6.2 billion of total U.S. income tax after credits, up slightly from the previous year.

Domestic corporations controlled by persons from Japan had total receipts of \$253.9 billion for 1989, an amount considerably larger than the receipts representing any other country. The receipts for U.S. companies controlled by persons in the United Kingdom remained in second place with \$175.9 billion, followed by the Netherlands (\$115.0 billion), Canada (\$93.0 billion) and West Germany (\$87.5 billion). Of these countries, the Netherlands had the largest rate of increase in receipts (23.5 percent) over 1988. Canada had the smallest rate of increase, 11.4 percent.

**Foreign-controlled domestic corporations accounted for 8.8 percent of the 1989 receipts reported on all U.S. corporation income tax returns.**

*James R. Hobbs is an economist and Assistant Chief, Foreign Statistics Branch. This article was prepared under the direction of Daniel F. Skelly, Chief.*

## Direct Foreign Investment in the United States

Direct foreign investment in the United States can take several forms, including corporations, partnerships and even joint ventures. Under these forms of direct investment, the foreign investor has sufficient equity in the enterprise so as to control and participate in managing its operations [1].

A foreign direct investor can either gain control of an existing U.S. corporation, or create a new company incorporated in the United States [2]. Another method of operating in the United States is through a branch of a foreign corporation. There are several factors involved in the decision of a foreign investor to operate in the United States through either a "domestic" or "foreign" corporation [3]. This article focuses on domestic corporations (i.e., companies incorporated in the United States) that are "controlled" (i.e., majority-owned) by a foreign person. The Explanation of Selected Terms section of this article gives a description of "foreign persons" [4]. A separate article will be published in a future issue of the *Statistics of Income Bulletin* covering branch operations of foreign corporations with income "effectively connected" with a U.S. trade or business.

## Growth of Companies

Foreign direct investment in the United States through foreign-controlled domestic corporations grew substantially during the 1984-1989 period. Worldwide receipts of FCDC's increased from \$459.2 billion for 1984 to \$967.1 billion for 1989, a 111-percent increase using current dollars. In comparison, worldwide receipts reported on all U.S. corporation income tax returns grew from \$7.9 trillion for 1984 to \$10.9 trillion for 1989, a 39 percent increase over the same period [5]. As a result of the rapid growth rate of FCDC's, their share of the receipts reported on all corporate returns increased from 5.9 percent for 1984 to 8.8 percent for 1989.

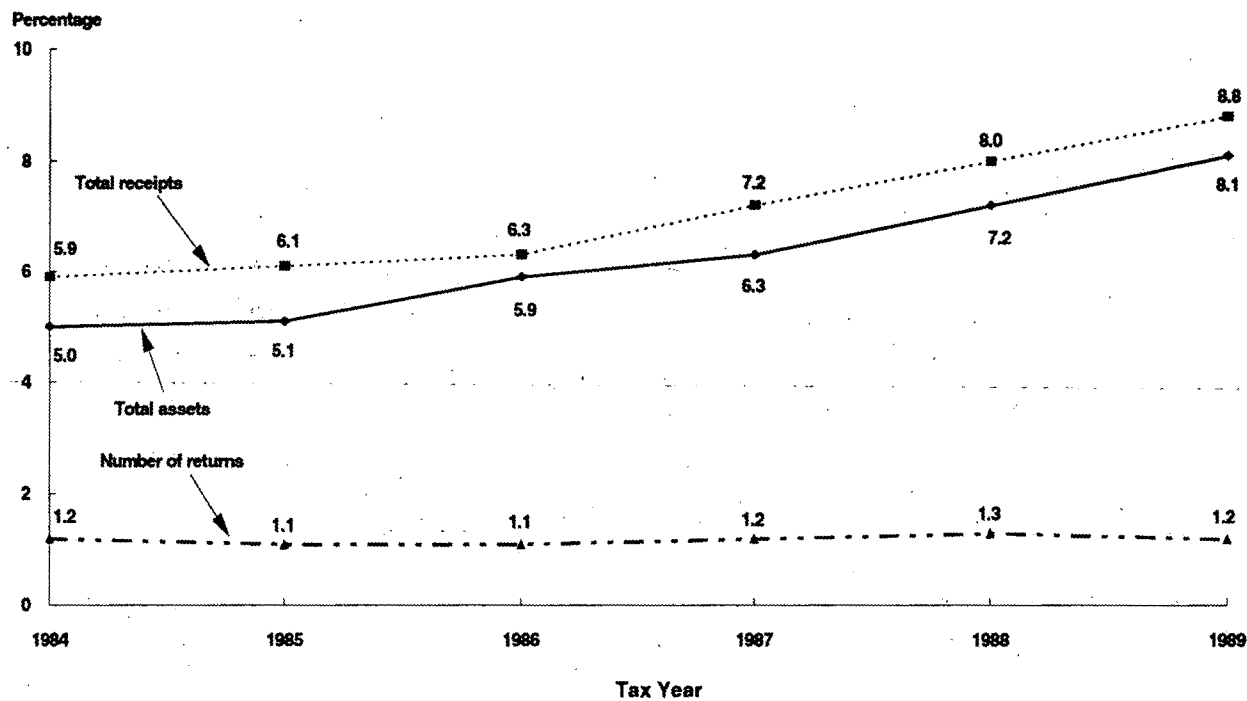
Figure B illustrates the growth of FCDC's controlled by persons from Japan, the United Kingdom, the Netherlands, Canada and West Germany. During the 1984 to 1989 period, Canada showed the largest growth rate in terms of total receipts (194.3 percent), followed by West Germany (140.4 percent), the United Kingdom (128.7 percent), Japan (125.5 percent) and the Netherlands (60.5 percent).

The growth of FCDC's can also be measured from the early 1970's, when a question concerning foreign ownership of companies was first placed on Form 1120, *U.S. Corporation Income Tax Return*. For 1971, these companies had \$39 billion of worldwide receipts, just 2.1 percent of the \$1.9 trillion reported for all corporations. By 1989, this percentage had grown to nearly 9 percent.

## Domestic Corporations Controlled by Foreign Persons, 1989

Figure A

### Foreign Controlled Domestic Corporations as a Percentage of All Corporations, 1984-1989



Total assets of domestic corporations controlled by a foreign person grew at an even faster rate than that for receipts. Between 1984 and 1989, assets increased from \$0.6 trillion to \$1.4 trillion, a 159-percent increase. During this period, their share of the book value of total assets reported on all U.S. corporation income tax returns grew from 5.0 percent to 8.1 percent. For 1971, these companies had reported \$37 billion of assets, just 1.3 percent of the total.

The number of returns of foreign-controlled domestic corporations was 44,840 for 1989, a slight decrease compared to 1988, but about the same as the number for 1987 [6]. For the 1984-1986 period, there were approximately 37,000 returns filed yearly by FCDC's [7]. Despite the sharp increase between 1986 and 1987, returns of these companies comprised a rather constant percentage of all U.S. corporation income tax returns, between 1.1 and 1.3 percent for each year between 1984 and 1989. This is in contrast to the rising percentages over this period for receipts and assets.

It should be noted that foreign-controlled domestic corporations are considerably larger, on average, than other companies. While they accounted for only 1.2 percent of the total returns filed by corporations, for 1989 they comprised 8.8 and 8.1 percent of the total receipts and assets, respectively. Percentages for these three items

had similar magnitudes for 1984 through 1988. Going back to 1971, the percentage for number of returns was similarly lower than the percentages for total receipts and assets (0.3, 2.1 and 1.3 percent, respectively).

#### Industry Characteristics

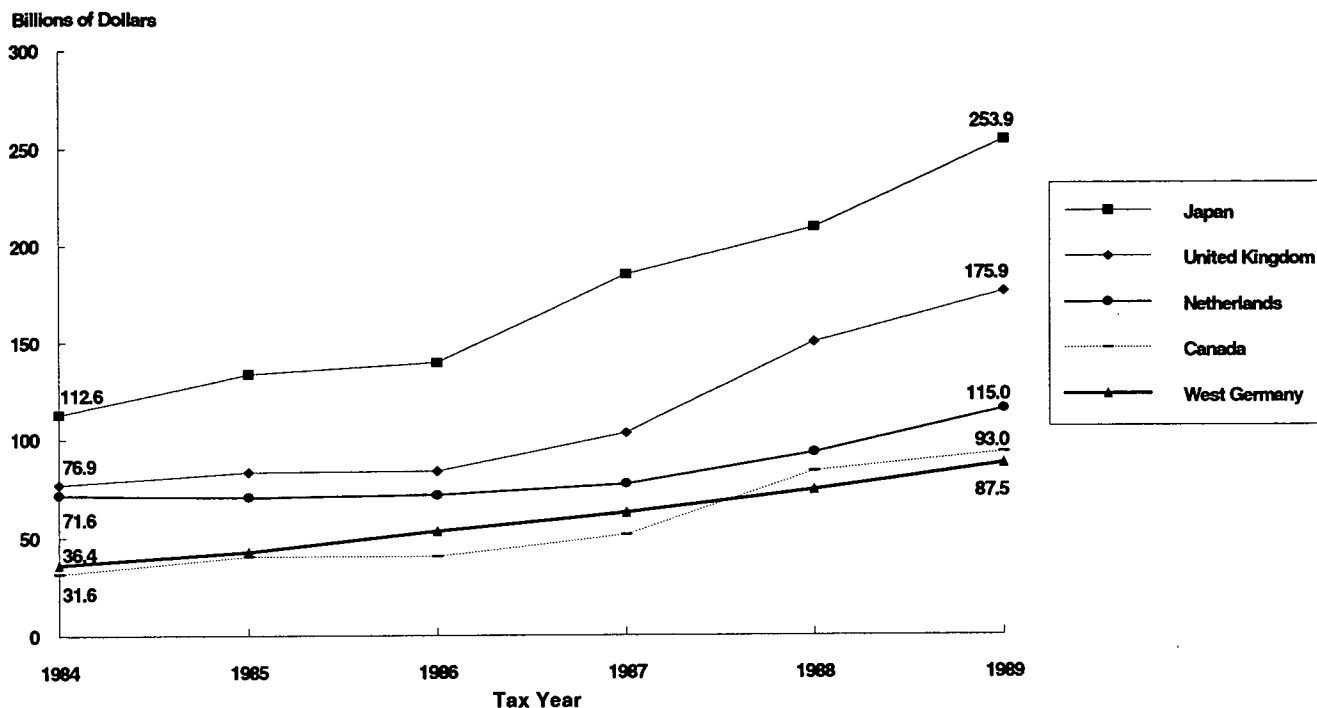
Foreign-controlled domestic corporations were involved in every type of industrial activity, but, based on number of returns, were concentrated mainly in two industrial divisions: (1) wholesale and retail trade, and (2) finance, insurance and real estate (see Table 1) [8]. For 1989, these two divisions accounted for two-thirds of all returns filed by domestic corporations owned by a foreign person. By comparison, these same two divisions made up 44 percent of all the U.S. corporation income tax returns filed for that year. Two other industrial divisions contained significant numbers of returns filed by FCDC's. Returns classified in the services and manufacturing divisions together represented nearly one quarter of all FCDC returns. For all returns, these two divisions accounted for 36 percent of the returns for 1989.

Looking at assets, once again two industrial divisions comprised most of the total for FCDC's for 1989. Finance, insurance and real estate and manufacturing accounted for \$0.6 and \$0.5 trillion of total assets, respectively. This was 78 percent of the \$1.4 trillion of assets for

# Domestic Corporations Controlled by Foreign Persons, 1989

Figure B

Total Receipts of Foreign Controlled Domestic Corporations, by Selected Countries, 1984-1989



all FCDC's. These two divisions also made up 78 percent of the total assets reported on all U.S. corporation income tax returns. In this respect, FCDC's closely mirrored all companies.

Alternatively, using total receipts as the criterion, wholesale and retail trade and manufacturing were the two primary industrial divisions for FCDC's for 1989. Manufacturers reported \$399.3 billion of receipts, while wholesalers and retailers, together, reported \$397.3 billion. Together, these two divisions accounted for 82 percent of the total receipts for all FCDC's. This percentage was higher than the comparable one (61 percent) for all companies that filed U.S. corporation income tax returns.

The comparative levels of assets and receipts of foreign-owned domestic companies (as well as other corporations) primarily engaged in wholesale and retail trade and those engaged in finance, insurance and real estate differed significantly. FCDC wholesalers and retailers produced large amounts of receipts with relatively small amounts of assets, amounting to \$2.08 of receipts for each dollar of assets. On the other hand, companies classified in finance, insurance and real estate had large amounts of assets, but relatively small amounts of receipts. (This was particularly true for banks, credit agencies, and security

and commodity brokers and services.) These companies produced only \$.16 of receipts for each dollar of assets. The difference between these industries is also reflected in the totals for all companies which filed U.S. corporation income tax returns; \$2.29 for wholesalers and retailers, \$.19 for finance, insurance and real estate companies.

Even though foreign-controlled domestic corporations accounted for less than 9 percent of the \$10.9 trillion of worldwide receipts reported by all companies filing U.S. income tax returns for 1989, these companies played disproportionately large roles in certain industrial groups, as shown in Figure C. In particular, FCDC's in the wholesale trade, mining, and manufacturing industrial divisions accounted for 21.3, 16.7, and 11.3 percent, respectively, of the receipts of all companies classified in these divisions. Each of these percentages was an increase over that for the 2 previous years, which was: wholesale trade (19.7 and 18.9 percents for 1988 and 1987, respectively), mining (16.1 and 12.3 percents) and manufacturing (10.1 and 8.5 percents) [9].

There were several major industries (metal mining; coal mining; leather manufacturing; stone, clay and glass products manufacturing; and miscellaneous wholesale trade) in which foreign-controlled domestic corporations produced over 20 percent of the U.S. totals for receipts for

# Domestic Corporations Controlled by Foreign Persons, 1989

**Figure C**

## Total Receipts of Foreign Controlled Domestic Corporations as a Percentage of All Corporations, by Selected Major Industrial Groups, 1989

(Money amounts are in millions of dollars)

Selected major industrial groups	All U.S. corporation income tax returns	Returns of foreign controlled domestic corporations	Percentage of all returns
	(1)	(2)	(3)
All industries <sup>1</sup> .....	10,934,973	967,121	8.8
Agriculture, forestry and fishing.....	86,627	1,214	1.4
Mining.....	102,379	17,134	16.7
Metal mining.....	8,264	2,670	32.3
Coal mining.....	22,915	5,719	25.0
Oil and gas extraction.....	58,977	7,523	12.8
Nonmetallic minerals, except fuels....	12,223	*1,222	10.0
Construction.....	517,477	12,175	2.4
Manufacturing.....	3,531,219	399,330	11.3
Food and kindred products.....	375,064	40,878	10.9
Tobacco manufactures.....	75,295	8,575	11.4
Textile mill products.....	52,734	3,491	6.6
Apparel and other textile products....	69,023	1,695	2.5
Lumber and wood products.....	83,145	*2,522	3.0
Furniture and fixtures.....	41,310	1,400	3.4
Paper and allied products.....	124,137	3,956	3.2
Printing and publishing.....	164,658	18,699	11.4
Chemicals and allied products.....	363,181	70,459	19.4
Petroleum (including integrated) and coal products.....	455,945	75,596	16.6
Rubber and miscellaneous plastics products.....	76,472	11,952	15.6
Leather and leather products.....	17,942	*6,059	33.8
Stone, clay and glass products.....	70,097	16,382	23.4
Primary metal industries.....	152,540	24,278	15.9
Fabricated metal products.....	178,280	14,316	8.0
Machinery, except electrical.....	296,286	22,943	7.7
Electrical and electronic equipment...	309,358	40,846	13.2
Motor vehicles and equipment.....	308,798	13,028	4.2
Transportation equipment, except motor vehicles.....	155,624	3,020	1.9
Instruments and related products.....	88,025	9,847	11.2
Miscellaneous manufacturing and manufacturing not allocable.....	73,306	9,389	12.8
Transportation and public utilities....	906,501	16,893	1.9
Wholesale and retail trade.....	3,184,946	397,251	12.5
Wholesale trade.....	1,543,789	328,911	21.3
Groceries and related products.....	230,755	14,956	6.5
Machinery, equipment and supplies.....	142,600	25,361	17.8
Miscellaneous wholesale trade.....	1,170,433	288,594	24.7
Retail trade.....	1,637,529	67,849	4.1
Wholesale and retail trade not allocable.....	3,628	*491	13.5
Finance, insurance and real estate...	1,868,003	92,523	5.0
Banking.....	525,404	25,403	4.8
Credit agencies other than banks.....	238,471	6,551	2.7
Security, commodity brokers and services.....	75,247	10,424	13.9
Insurance.....	713,513	23,697	3.3
Insurance agents, brokers and service.....	34,116	1,248	3.7
Real estate.....	129,223	9,183	7.1
Holding and other investment companies, except bank holding companies.....	152,028	16,018	10.5
Services.....	735,497	30,538	4.2

<sup>1</sup> Includes "Nature of business not allocable," which is not shown separately.

\* 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 totals because of rounding.

these industries. Of these industrial groups, wholesale trade produced by far the largest amount of receipts for both FCDC's and other companies. The percentage of FCDC receipts to total receipts for this industry was substantial (17.6 to 24.7 percent) over the entire 1984-1989 period. Many of the companies in this industrial group were U.S. distributors of products made in foreign countries by their parent corporations.

The miscellaneous wholesale trade "major" industrial group is composed of 16 "minor" industrial groups. For these groups, FCDC's accounted for as much as 57.4 percent of all 1989 receipts related to the wholesale distribution of motor vehicles and automotive equipment. FCDC's were also prevalent in several of the other minor industrial groups (see Figure D).

### Country Characteristics

Domestic corporations are owned by persons throughout the world. However, for 1989, owners from seven countries controlled nearly 57 percent of the 44,840 domestic corporations 50 percent or more controlled by a foreign person (see Figure E). (The countries represent the geographic location of the direct foreign owner's country of residence, incorporation, organization, creation or administration. Because holding companies located in a country different from that of the ultimate owner may directly own the stock of U.S. affiliates, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. No data on the extent of this potential limitation are available.) The 25,488 corporations owned by persons from these seven countries accounted for 80 percent or more of the most significant financial items, including total assets and receipts, for all FCDC's.

Domestic corporations controlled by Japanese persons had assets of \$322 billion and worldwide receipts of nearly \$254 billion for 1989, amounts larger than those representing any other country. The receipts represented over 26 percent of the total for all FCDC's. (Japanese persons also accounted for the largest amount of receipts for the 1983-1988 period.) Over \$183 billion of these receipts were produced by wholesale trade companies. Japanese-controlled wholesalers of motor vehicles and automotive equipment, metals and minerals (except petroleum and scrap), and of electrical goods produced \$54, \$39, and \$29 billion, respectively, of receipts for 1989.

Japanese-controlled domestic corporations as a whole reported an overall net deficit of \$76.4 million for 1989. However, nearly a third of these companies did report a profit, and most of the latter group reported a tax liability



# Domestic Corporations Controlled by Foreign Persons, 1989

**Figure D**

## Total Receipts of Foreign Controlled Domestic Corporations as a Percentage of All Corporations, Miscellaneous Wholesale Trade Industrial Groups, 1989

[Money amounts are in billions of dollars]

Industrial group	All U.S. corporation income tax returns	Returns of foreign controlled domestic corporations	Percentage of all returns
	(1)	(2)	(3)
<b>Miscellaneous wholesale trade, total.....</b>	<b>1,170.4</b>	<b>288.6</b>	<b>24.7</b>
Electrical goods.....	103.3	35.0	33.9
Furniture and home furnishings.....	14.5	1.0	6.9
Hardware, plumbing and heating equipment and supplies.....	45.5	2.2	4.8
Lumber and construction materials.....	51.8	1.5	2.9
Metals and minerals, except petroleum and scrap.....	125.0	61.6	49.3
Motor vehicles and automotive equipment.....	130.3	74.8	57.4
Sporting, recreational, photographic and hobby goods, toys and supplies.....	24.6	11.4	46.3
Other durable goods.....	124.6	26.6	21.3
Alcoholic beverages.....	43.4	2.3	5.3
Apparel, piece goods and notions.....	56.7	3.0	5.3
Chemicals and allied products.....	31.7	6.1	19.2
Drugs, drug proprietaries and druggists' sundries.....	42.9	1.5	3.5
Farm-product raw materials.....	111.3	24.5	22.0
Paper and paper products.....	35.5	5.0	14.1
Petroleum and petroleum products.....	132.1	19.2	14.5
Miscellaneous nondurable goods; wholesale trade not allocable.....	97.2	12.8	13.2

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

[10]. The \$1.1 billion they reported for total U.S. income tax after credits accounted for 18 percent of the total for all FCDC's.

Domestic corporations controlled by persons in the United Kingdom accounted for the second largest amount (\$176 billion) of receipts for 1989 (as well as the second largest for the 1983-1988 period). Unlike Japan, most of these receipts, totalling \$99 billion, were produced by

manufacturers (see Table 1). Some of the more predominant manufacturing industries were petroleum and coal products (\$21 billion); food and kindred products (\$16 billion); chemicals and allied products (\$13 billion); tobacco (\$8 billion); leather and leather products (\$6 billion); stone, clay and glass products (\$6 billion); printing and publishing (\$5 billion); and electrical and electronic equipment (\$5 billion). Apart from manufacturing, an additional \$41 and \$20 billion of receipts were produced by wholesale and retail trade companies and companies in finance, insurance and real estate, respectively. Metals and minerals (except petroleum and scrap) was the predominant wholesale industry with \$14 billion in receipts. Insurance companies and banks accounted for \$6 and \$5 billion of receipts, respectively, for 1989.

U.K.-controlled domestic corporations accounted for 18 percent of the 1989 receipts for all FCDC's. These companies also reported consolidated profits (less deficits) of \$4.9 billion and total U.S. income tax after credits of \$1.9 billion. This tax represented 31 percent of the total for all FCDC's.

The worldwide receipts of domestic corporations controlled by a foreign person increased by \$141.6 billion, or 17.1 percent, between 1988 and 1989. (Receipts of all corporations that filed U.S. income tax returns increased by \$670.1 billion, or 6.5 percent, for 1989.) For corporations with owners from the seven countries noted in Figure E, the growth rates in terms of receipts varied widely. Corporations owned by persons in the Netherlands and Japan showed increases of 23.5 and 21.5 percent, respectively, which were above the average. Percentage increases for West Germany (17.7 percent) and the United Kingdom (17.5 percent) were close to the average. Corporations owned by persons in France (13.3 percent), Canada (11.4 percent) and Switzerland (4.8

**Figure E**

## Foreign Controlled Domestic Corporations: Selected Items, by Selected Countries, 1989

[Money amounts are in millions of dollars]

Country	Number of returns		Total assets	Total receipts	Net income (less deficit)	Net income	Total U.S. income tax after credits
	Total	With net income					
	(1)	(2)					
<b>All countries.....</b>	<b>44,840</b>	<b>17,697</b>	<b>1,429,150</b>	<b>967,121</b>	<b>8,308</b>	<b>27,581</b>	<b>6,161</b>
<b>Selected countries, total .....</b>	<b>25,488</b>	<b>10,350</b>	<b>1,156,320</b>	<b>813,947</b>	<b>7,590</b>	<b>22,306</b>	<b>5,416</b>
Percentage of all countries.....	56.8	58.5	80.9	84.2	91.4	80.9	87.9
Japan.....	6,592	2,090	322,268	253,896	-76	4,247	1,139
United Kingdom.....	4,612	2,609	308,032	175,867	4,852	7,876	1,934
Netherlands.....	1,764	767	167,909	114,951	-206	2,106	463
Canada.....	6,993	2,801	146,363	92,971	196	2,832	613
West Germany.....	2,528	1,075	90,727	87,473	1,892	2,891	646
France.....	1,538	429	68,551	48,255	88	987	250
Switzerland.....	1,461	579	52,470	40,534	844	1,367	371

<sup>1</sup> This figure includes only those countries reported on returns which showed \$25 billion or more of total receipts for 1989. Country information is based on the location of the owner's country of residence, incorporation, organization, creation or administration.

## Domestic Corporations Controlled by Foreign Persons, 1989

percent) had smaller-than-average increases in total receipts between 1988 and 1989.

It should be noted that percentage increases in total receipts for countries over a 1-year period (as discussed above) can be very different from those for a longer period of time. For instance, between 1984 and 1989, receipts increased by 111 percent for all countries. Over this same time period, corporations owned by persons in the following countries showed these increases in receipts: Canada (194 percent), West Germany (140 percent), United Kingdom (129 percent), Switzerland (126 percent), Japan (125 percent), France (117 percent) and the Netherlands (60 percent). These results were different from those for the 1988 to 1989 period.

### Income and Deductions

Over 90 percent of the \$967 billion in total receipts reported by domestic corporations controlled by a foreign person consisted of "business receipts" (i.e., receipts from sales and operations). Taxable interest income of \$54 billion accounted for an additional 6 percent of the total, with banks producing the largest part (\$21 billion) [11]. (Briefly, banking items such as fees, commissions, trust department earnings, exchange collections, discounts and service charges were included in business receipts. Interest, the principal operating income of banks, was excluded from business receipts and shown separately as a component of total receipts.)

These same domestic companies claimed \$960 billion in deductions for 1989. Cost of sales and operations was \$657 billion, or 68 percent of the total. Interest paid (\$66 billion, including \$15 billion paid mostly to depositors by banks), depreciation (\$26 billion), and advertising (\$16 billion) accounted for 7, 3, and 2 percent, respectively, of total deductions. There was also \$136 billion, or 14 percent of the total, of "other deductions."

For 1989, the ratio of cost of sales and operations to business receipts was considerably higher for foreign-controlled domestic corporations whose principal business activity was trade than it was for other corporations in trade; 85.2 percent versus 76.0 percent (see Figure F). (For manufacturers, the percentage for FCDC's and other companies was much closer.) The difference may reflect the unique characteristics of FCDC's, as well as certain transfer pricing practices of FCDC's that buy goods and services from related persons outside the United States [12, 13]. These practices help determine the size of their deductions and, as a result, their net income or deficit.

### Net Income (Less Deficit)

The net income (less deficit), as computed under the

**Figure F**

### Cost of Sales and Operations as a Percentage of Business Receipts, 1989

[Money amounts are in millions of dollars]

Type of corporation, industrial group and item	Number of returns or amount
<b>Foreign controlled domestic corporations:</b>	
Manufacturing:	
Number of returns.....	4,859
Business receipts.....	374,507
Cost of sales and operations.....	262,177
Percentage.....	70
Wholesale and retail trade:	
Number of returns.....	13,710
Business receipts.....	386,008
Cost of sales and operations.....	328,993
Percentage.....	85
<b>Other corporations:</b>	
Manufacturing:	
Number of returns.....	296,487
Business receipts.....	2,901,506
Cost of sales and operations.....	1,995,507
Percentage.....	69
Wholesale and retail trade:	
Number of returns.....	999,270
Business receipts.....	2,708,807
Cost of sales and operations.....	2,059,971
Percentage.....	76

Internal Revenue Code, for foreign-controlled domestic corporations was \$8.3 billion for 1989. For statistical purposes, net income (less deficit) was the difference between "modified" total receipts and total deductions. The \$967.1 billion of total receipts for 1989 was modified as follows: (1) tax-exempt interest from State and local Government obligations was subtracted and (2) "constructive" receipts were added. Constructive receipts were the sum of the following types of taxable income from related foreign corporations: (1) includable income from Controlled Foreign Corporations, and (2) foreign dividend income resulting from foreign taxes deemed paid.

Net income should be distinguished from taxable income (i.e., "U.S. income subject to tax" in the statistics). Because certain statutory special deductions, including the net operating loss deduction, were allowed most companies in computing their taxable income, the statistics for net income are generally larger than the amounts shown for taxable income.

Manufacturing companies accounted for \$6.7 billion of the total 1989 profits of FCDC's. Other industrial divisions with significant amounts of profits were: wholesale and retail trade (\$0.9 billion), mining (\$0.9 billion), and finance, insurance and real estate (\$0.8 billion). The services industrial division had a net deficit of \$0.9 billion.

The \$8.3 billion of net income (less deficit) was the result of 17,697 corporations reporting \$27.6 billion of profits and 27,143 companies reporting \$19.3 billion of deficits [14]. Thus, less than 40 percent of the domestic

## Domestic Corporations Controlled by Foreign Persons, 1989

corporations with foreign owners reported a profit for 1989. By comparison, 53 percent of all corporations filing U.S. income tax returns for 1989 reported profits which totalled \$556.3 billion. The deficits for all corporations were \$167.3 billion, resulting in a net income (less deficit) amount of \$389.0 billion. The percentages of corporations reporting a profit for 1989 were similar to those for the 1984-1988 period (see Figure G).

Six out of every 10 FCDC's reported deficits for 1989. Collectively, these companies had \$19.3 billion of deficits, up 26 percent from the \$15.3 billion reported for 1988. Deficits increased for 1989 in most industrial groups, including: manufacturing (\$4.9 to \$6.7 billion); trade (\$3.4 to \$4.5 billion); finance, insurance and real estate (\$3.7 to \$4.1 billion) and services (\$1.3 to \$2.1 billion). Deficits could be carried back or forward to other tax years, under prescribed rules, to reduce the taxable income of those years (see "net operating loss deduction" in the Explanation of Selected Terms section of this article).

The amount of pre-tax net income (less deficit) can be computed as a percentage of several key financial items for both foreign-controlled domestic corporations and

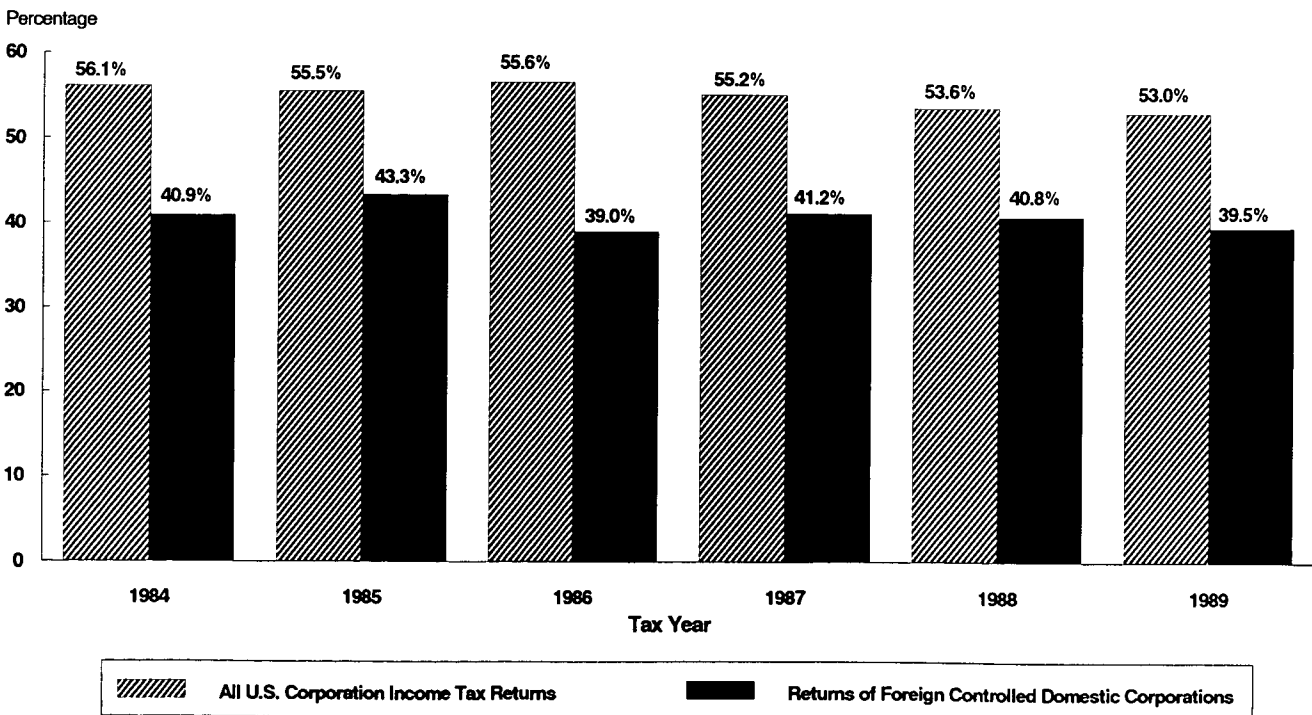
other domestic corporations. The three ratios shown in Figure H are all significantly lower for FCDC's than for other domestic companies. For 1989, the ratio of net income (less deficit) to total receipts was 0.9 percent for FCDC's, less than one third of the 3.1 percent for other domestic corporations. A similar difference occurred for every year since 1984 (see Figure I).

The percentages shown in Figure H for domestic corporations controlled by a foreign person varied by industry. Net income (less deficit) as a percentage of total receipts was only 0.2 percent for wholesale and retail trade, as compared to 0.9 percent and 1.7 percent for finance, insurance and real estate and manufacturing, respectively. Mining showed the highest profit ratio with 5.3 percent. Both services and agriculture, forestry and fishing reported net deficits for 1989, resulting in ratios of -3.0 and -13.3 percent, respectively.

In addition to the actual profits reported by the different industries, it should be noted that many of the percentages discussed above are reflections of the relative levels of receipts that typify certain activities. For instance, trade companies tend to have more receipts and less assets than do financial companies of similar size. With this in mind,

**Figure G**

### Percentage of Returns Reporting Net Income, 1984-1989



# Domestic Corporations Controlled by Foreign Persons, 1989

**Figure H**

## Comparative Ratios of Net Income (Less Deficit) to Selected Financial Items for Foreign Controlled and Other Domestic Corporations, 1989

[Money amounts are in billions of dollars]

Item, ratio	Foreign controlled domestic corporations	Other domestic corporations
Number of returns.....	44,840	2,188,647
With net income.....	17,697	1,194,204 <sup>1</sup>
Percentage.....	39.5	54.6 <sup>1</sup>
Total assets.....	1,429.2	15,540.0
Net worth.....	347.3	3,266.0
Total receipts.....	967.1	9,172.7
Net income (less deficit).....	8.3	287.4
Net income (less deficit) to total assets, (percentage).....	0.6	1.8
Net income (less deficit) to net worth, (percentage).....	2.4	8.8
Net income (less deficit) to total receipts, (percentage).....	0.9	3.1

<sup>1</sup> Estimated.

it is desirable to compare ratios of net income (less deficit) to total receipts between FCDC's and other domestic corporations on an industry basis. Unfortunately, these ratios by industry are not available for "other domestic corporations." However, they are available for "other corporations." (Both "other domestic corporations" and

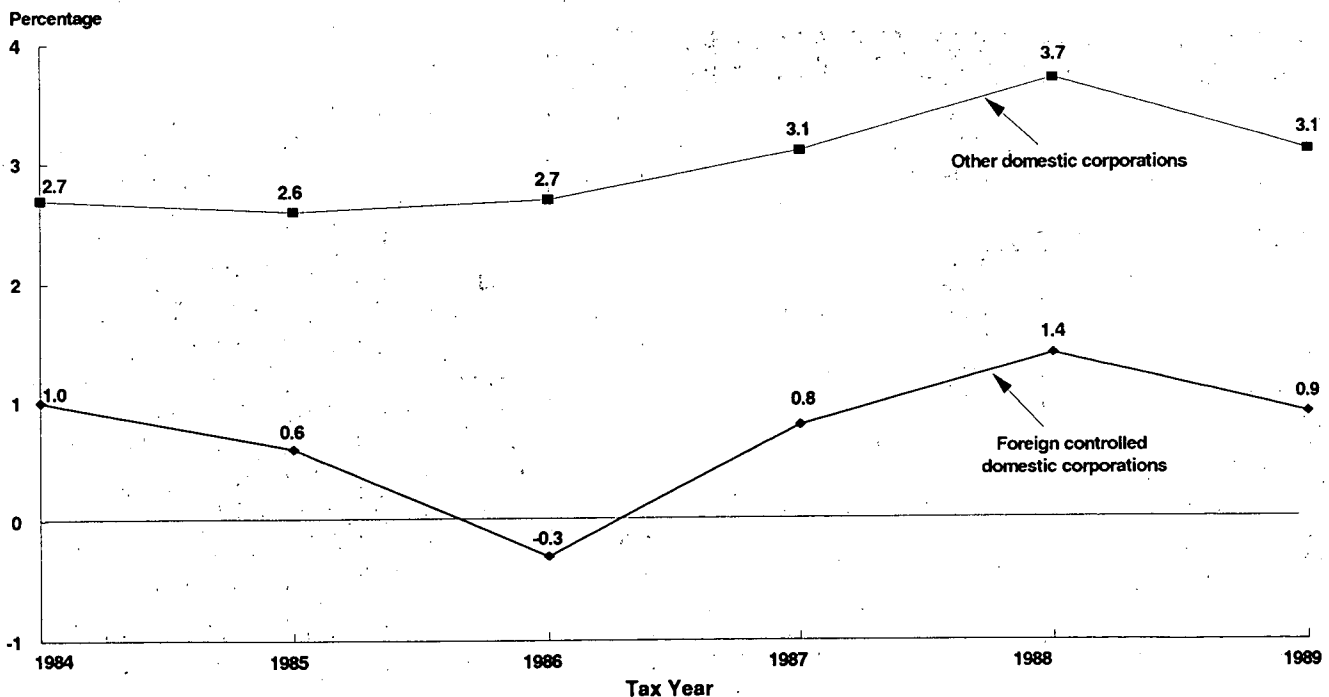
"other corporations" include Form 1120, *U.S. Corporation Income Tax Return*; Form 1120-A, *U.S. Corporation Short-Form Income Tax Return*; Form 1120L, *U.S. Life Insurance Company Income Tax Return*; and stock companies on Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*. In addition, data for "other corporations" include: Form 1120S, *U.S. Income Tax Return for an S Corporation*; Form 1120F, *U.S. Income Tax Return of a Foreign Corporation*; Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*; and mutual companies on Form 1120-PC. Data for "other domestic corporations" exclude these returns; see the Explanation of Selected Terms section.) Figure J shows ratios for selected industrial groups. In each case, FCDC's again had substantially lower ratios for 1989 than the other group of companies. This figure also shows that the ratio of net income (less deficit) to total receipts for all "other corporations" was 3.8 percent for 1989, as compared to the 3.1 percent shown in Figure I, for all "other domestic corporations."

### Taxes

For 1989, profitable foreign-controlled domestic corpora-

**Figure I**

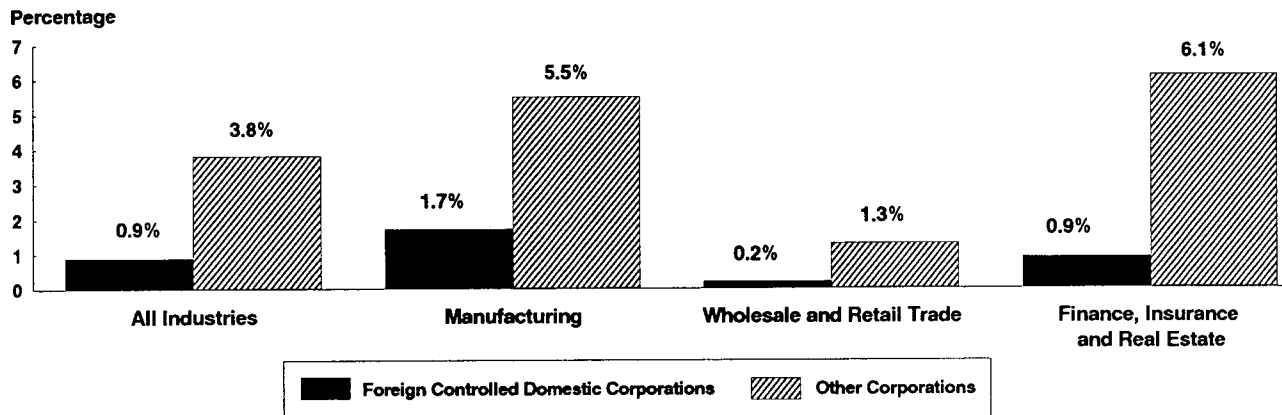
## Net Income (Less Deficit) as a Percentage of Total Receipts, 1984-1989



# Domestic Corporations Controlled by Foreign Persons, 1989

**Figure J**

## Net Income (Less Deficit) as a Percentage of Total Receipts for Selected Industrial Divisions, 1989



tions had \$20.8 billion of "U.S. income subject to tax" (or taxable income, i.e., the base on which tax was computed for the statistics), resulting in tax before credits of \$7.5 billion [15]. The difference between the \$27.6 billion of profit (or net income) and \$20.8 billion of income subject to tax was the result of statutory special deductions. These deductions were allowed most corporations in computing their taxable income and were for "net operating losses" from other years, as well as deductions for both intercorporate dividends received and for dividends on certain preferred stock of public utilities. The net operating loss deduction accounted for 85 percent of the total

statutory special deductions for 1989 (see the Explanation of Selected Terms section of this article for a discussion of the net operating loss deduction).

Tax credits totalling \$1.4 billion reduced the U.S. tax liability of foreign-owned domestic corporations to \$6.2 billion for 1989. The largest credits claimed were \$1.0 billion of foreign tax credits, \$0.2 billion of general business credits and \$0.1 billion of prior-year minimum tax credits. The \$6.2 billion of total U.S. income tax after credits represents the tax liability as reported by taxpayers. However, it does not include any changes made by taxpayers through amended returns or by the Internal Revenue Service as a result of audit examination.

Like net income (less deficit), total income tax after credits as a percentage of key financial items can be compared for FCDC's and other domestic corporations. The ratios shown in Figure K are lower for FCDC's than those for other domestic corporations. However, the differences in the ratios between the two groups of companies are not as pronounced as the ratios based on net income (less deficit) shown in Figure H. For 1989, the ratio of tax to receipts was 0.6 percent for FCDC's, as compared to 1.0 percent for other domestic corporations. A similar difference occurred for 1987 (0.7 and 1.1 percents) and 1988 (0.7 and 1.0 percents).

Figure L shows 1989 ratios of total income tax after credits to total receipts on an industry basis for FCDC's and "other corporations." For all industries, FCDC's once again had a lower ratio (0.6 percent) than that for other corporations (0.9 percent). However, both groups of companies in the wholesale and retail trade industry had a ratio of 0.4 percent. Looking back to Figure J, these companies had substantially different ratios of net income

**Figure K**

## Comparative Ratios of Income Tax to Selected Financial Items for Foreign Controlled and Other Domestic Corporations, 1989

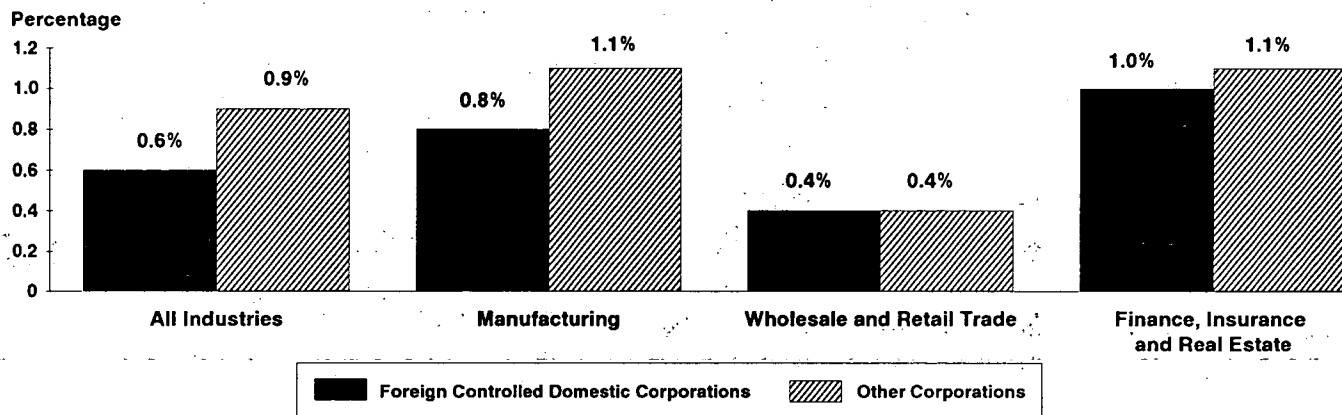
[Money amounts are in billions of dollars]

Item, ratio	Foreign controlled domestic corporations	Other domestic corporations
Number of returns.....	44,840	2,188,647
With total income tax after credits.....	12,705	896,251
Percentage.....	28.3	41.0
Total assets.....	1,429.2	15,540.0
Net worth.....	347.3	3,266.0
Total receipts.....	967.1	9,172.7
Total income tax after credits.....	6.2	94.1
Total income tax after credits to total assets, percentage.....	0.4	0.6
Total income tax after credits to net worth, percentage.....	1.8	2.9
Total income tax after credits to total receipts, percentage.....	0.6	1.0

# Domestic Corporations Controlled by Foreign Persons, 1989

**Figure L**

## Total Income Tax After Credits as a Percentage of Total Receipts for Selected Industrial Divisions, 1989



(less deficit) to receipts: 0.2 percent for FCDC's and 1.3 percent for other corporations. Figures J and L may imply that there was a group of FCDC's in the trade industry that collectively reported a substantial amount of profits (\$5.3 billion) and thus taxes after credits (\$1.4 billion). However, there were other FCDC's in this industry that reported substantial deficits (\$4.5 billion), resulting in a net income (less deficit) amount of \$0.9 billion, on \$397.3 billion of receipts.

### Summary

Direct foreign investment in the United States through corporations continued to grow at a relatively fast rate for 1989. While worldwide receipts reported on all U.S. corporation income tax returns increased by 7 percent (using current dollars) for 1989, receipts of domestic corporations controlled by foreign persons increased by 17 percent.

Foreign-controlled domestic corporations in two industrial divisions generated approximately 82 percent of the total receipts. These two divisions were manufacturing and trade. From a single country perspective, domestic corporations controlled by persons in Japan had worldwide receipts of \$254 billion, over one-fourth of the total. The United Kingdom accounted for another 18 percent.

The collective net income (less deficit) amount reported by foreign-controlled domestic corporations decreased to \$8.3 billion for 1989, as compared to \$11.2 billion for 1988. This reflects the increase in deficits (\$15.3 to \$19.3 billion) reported by FCDC's for 1989. However, profitable FCDC's reported increased amounts of net income, \$27.6 billion for 1989 versus \$26.5 billion for 1988. Total income tax after credits also increased for 1989 to \$6.2 billion, from \$5.8 billion for 1988.

### Explanation of Selected Terms

**Attribution rules.**—In regard to domestic corporations that are 50 percent or more owned by a foreign "person," these rules provide that an individual shall be considered as owning the stock of a corporation that is owned, directly or indirectly, by or for his or her family. The family of an individual includes his or her spouse, brothers and sisters, ancestors, and lineal descendants. For more information on these rules, see section 267(c) of the Internal Revenue Code. However, if a corporation is owned by two or more unrelated persons, neither of whom owned 50 percent or more of the corporation, then that corporation was excluded from the statistics even though, together, these persons may have met the 50-percent-or-more ownership criterion.

**Foreign person.**—A foreign person (or entity) is defined as a person other than a U.S. person. A U.S. person includes: (1) a citizen or resident of the United States, (2) a domestic partnership, (3) a domestic corporation, and (4) any estate or trust (other than a foreign estate or trust). Section 7701 of the Internal Revenue Code further defines the term U.S. person.

**Net income (or deficit).**—This is the difference between gross receipts and the ordinary and necessary business deductions allowed by the Internal Revenue Code. In this article, it is also referred to as "profits." It reflects not only actual receipts, but "constructive" receipts as well, i.e., certain income from Controlled Foreign Corporations and the foreign taxes deemed paid on foreign dividends received. Interest from State and local Government obligations is excluded. Because certain statutory special deductions, including the net operating loss deduction, were allowed most corporations in computing their "taxable income" (or "income subject to

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tax”), the statistics for net income are generally larger than the amounts shown for “U.S. income subject to tax,” i.e., the base on which tax was computed. See also the discussion of the “net operating loss deduction” in this section of the article.

**Net operating loss deduction (NOLD).**—A statutory “net operating loss” (NOL) for a given tax year could be carried back, in general, over a 3-year period to reduce the taxable income of those years, and any amount of the NOL not offset against income during that time could be carried forward against income for a period not exceeding 15 years. The amount of NOLD included in the statistics, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (1989) tax year. Losses incurred after the 1989 Tax Year and carried back to that year at a later date could not be reported on the tax returns used for this article. Net operating losses on which the 1989 deduction was based include: (1) the excess of ordinary and necessary business expenses over income in previous loss years, and (2) statutory special deductions claimed in a loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

**Other corporations.**—Data shown in this article for these companies are based on all U.S. corporation income tax returns, except those for domestic companies controlled by a foreign person. Thus, the data include Forms 1120, 1120A, 1120L, 1120S, 1120F, 1120-RIC, 1120-REIT and 1120PC (both stock and mutual forms of property and casualty companies). For tax years before 1988, the data also include Forms 1120 IC-DISC and 1120-FSC [5]. When available, data for “other domestic corporations” (see below) were compared to the FCDC’s. However, when these data were not available, data for “other corporations” were used, instead.

**Other domestic corporations.**—Data shown in this article for these companies are based on Forms 1120, 1120A, 1120L, and 1120PC (stock forms of property and casualty companies). The following forms were excluded: 1120S, 1120F, 1120 IC-DISC, 1120-FSC, 1120-RIC, 1120-REIT, and 1120PC (mutual forms of property and casualty companies). This was done in order to use a group of corporations, for which statistics were readily available, that was as comparable as possible to FCDC’s.

### Data Sources and Limitations

#### Sample

The statistics for domestic corporations controlled by a foreign person are based primarily on samples of Forms 1120 (*U.S. Corporation Income Tax Return*). In addition,

the 1989 statistics include data from small numbers of Forms 1120L (*U.S. Life Insurance Company Income Tax Return*), Forms 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*), Forms 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*), and Forms 1120-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*).

Form 1120, 1120-RIC and 1120-REIT sampled returns were stratified based on the year a return was sampled for the study, business activity, size of total assets and size of “proceeds,” which was the larger of the absolute value of net income (or deficit) or the absolute value of “cash flow” (i.e., net income plus depreciation plus depletion). Forms 1120L and 1120-PC were sampled based on the size of total assets.

For 1989, the achieved sampling rates for Forms 1120 alone (the overwhelming majority of the returns used for the sample) ranged from less than 1 percent to 100-percent. In general, Form 1120 returns with assets of \$25 million or more, or with “proceeds” of \$5 million or more, were selected for the study at the 100-percent rate. For additional information on the sampling rates, see *Statistics of Income—1989, Corporation Income Tax Returns*.

Because the data presented are estimates based on samples, they are subject to sampling error. To properly use these data, the magnitude of the sampling error should be known. Coefficients of variation (CV’s) are used to measure that magnitude. For a general discussion of CV’s, see the appendix to this publication. For a more detailed discussion of the CV’s applicable to the corporation statistics, see *Statistics of Income—1989, Corporation Income Tax Returns*.

#### Nonsampling Limitations

Most of the data in this article relate to Tax Year 1989. However, the estimates cover returns with accounting periods that ended in a 12-month span beginning in July and ending in June. Thus, for Tax Year 1989, this span was between July 1989 and June 1990. As a result of the 12-month span for ending accounting periods, the statistics for each year shown in this article include income received or expenses incurred during a 23-month span. For Tax Year 1989, that span was from August 1988 through June 1990.

Returns were selected for this study based on taxpayers’ responses to a question on the various types of Form 1120 which asks whether “a person other than a U.S. person” owned, directly or indirectly, 50 percent or more of the filing corporation’s voting stock. Certain taxpayers incorrectly answered this question “yes” when a U.S.

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person other than an individual (such as a U.S. corporation) was the owner (see the definition of a foreign person in the Explanation of Selected Terms section of this article). These reporting errors were primarily made by corporations with small amounts of assets and income. As a result of these errors, the number of returns shown in the statistics may be slightly overstated. However, money amounts for balance sheet, income statement and tax items are only minimally overstated because of the predominance of large corporations on the data [16].

Each return used for the statistics had an industry code reported or assigned during statistical processing. This code was used as a classifier of the returns. The industry code represented the principal business activity (i.e., the activity which accounted for the largest portion of total receipts) of the corporation filing the return. However, a given return may have been for a company engaged in several business activities or may have been a consolidated return filed for an affiliated group of corporations which conducted different business activities. To the extent that some consolidated (and nonconsolidated) corporations were engaged in many types of business activities, the data in this article are not entirely related to the industrial activity under which they are shown.

There is an additional limitation related to data presented by industrial classification. Companies that sell similar products may not be classified in the same industry. For instance, FCDC's, as U.S. distributors of products made in foreign countries by their parent companies, were classified as wholesalers. However, other domestic corporations included in consolidated returns covering the manufacture and distribution of similar products may have been classified as manufacturers.

Each return used for the statistics also had a foreign country code assigned during statistical processing, which identified the owner's country. For individuals, it was the owner's country of residence. For all others, it was the country where the foreign entity was incorporated, organized, created or administered. The code was also used as a classifier of the returns. To the extent that a holding company or other affiliated entity was part of a chain between a U.S. subsidiary company and the ultimate parent, the data are not entirely related to the foreign country under which they are shown.

### Notes and References

[1] Portfolio investment is different from direct investment in that there is no control of the management of the enterprise, except to the extent, for example, of rights to vote periodically in stockholder meetings of corporations. The portfolio investor has a minimal

interest in a company, and is primarily seeking dividend payments or an increase in the value of the shares of stock.

- [2] The Bureau of Economic Analysis of the U.S. Department of Commerce periodically publishes data on foreign investors' outlays to acquire or establish U.S. businesses. From their surveys, investment outlays were \$23.1 billion in 1985, \$39.2 billion in 1986, \$40.3 billion in 1987, \$72.7 billion in 1988, \$71.2 billion in 1989, \$65.9 billion (revised) in 1990 and \$22.6 billion (preliminary) in 1991. See *United States Department of Commerce News*, BEA 92-23, June 9, 1992.
- [3] Sections 7701(a)(4) and (5) of the Internal Revenue Code define a domestic corporation as one created or organized in the United States or under the laws of the United States or any State. A foreign corporation is "one which is not domestic."
- [4] For purposes of this article, "control" is defined as ownership by any foreign "person" (i.e., an individual, partnership, corporation, estate or trust), directly or indirectly, of 50 percent or more of a U.S. corporation's voting stock at the end of the tax year. For rules of attribution, see the Explanation of Selected Terms section of this article and section 267(c) of the Internal Revenue Code.
- [5] Beginning with 1988, returns of Foreign Sales Corporations and Interest Charge Domestic International Sales Corporations were not included in the totals for all U.S. corporation income tax returns. Previously, they were included in the totals. Because these returns accounted for such a small portion of the total for most financial items, this change is not considered to be significant in the year-to-year comparison of statistics.
- [6] Foreign-controlled domestic corporations could file consolidated returns for affiliated groups of corporations. To the extent that this happened, the data included in this article actually represent more than 44,840 companies.
- [7] The increase in the number of returns for 1987 may be a reflection of additional incentives provided by the Tax Reform Act of 1986 for foreigners to purchase U.S. companies. For information about these incentives, see, for example, Scholes, Myron and Wolfson, Mark, "The Effects of Changes in Tax Laws on Corporate Reorganization Activity," *NBER*



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- [8] See the Data Sources and Limitations section of this article for a discussion of how returns are industry-coded during statistical processing.
- [9] For percentages comparable to those shown in Figure C for Tax Years 1984-1987, see Hobbs, James R., "Domestic Corporations Controlled by Foreign Persons, 1987," *Statistics of Income Bulletin*, Summer 1990, Volume 10, Number 1.
- [10] Corporations were allowed to apply certain statutory special deductions, including the net operating loss deduction, against their net income (i.e., profits) in computing their income subject to tax. These deductions could completely offset net income so that there was no income tax liability.
- [11] For all industries, total receipts include \$615 million of tax-exempt interest income from State and local Government obligations, most of which (\$377 million) was received by banks. This amount, however, is not included in net income (less deficit).
- [12] See Dworin, Lowell, "Transfer Pricing Issues," *National Tax Journal*, Volume 43, September 1990, pp. 285-291; also, Grubert, Harry, Goodspeed,

Timothy, and Swenson, Deborah, "Explaining the Low Taxable Income of Foreign Controlled Companies in the United States," November 1991; and Peterson, Shirley D., Commissioner of Internal Revenue, Statement before the Subcommittee on Oversight, House Committee on Ways and Means, April 1992.

- [13] See "Transactions Between Foreign Controlled Corporations and Related Foreign Persons, 1988," *Statistics of Income Bulletin*, Summer 1992, Volume 12, Number 1.
- [14] The 27,143 companies reporting a deficit include a small number of "breakeven" companies, i.e., those whose receipts and deductions were equal.
- [15] The \$7.5 billion of total income tax before credits as it appears in the statistics includes the alternative minimum tax (\$405.9 million), tax from recapture of investment credits (\$39.0 million), environmental tax (\$31.5 million), and Personal Holding Company tax (\$2.0 million).
- [16] For the 1990 Form 1120, the question was changed to ask specifically if any "foreign person" owned, directly or indirectly, 50 percent or more of the filing corporation's voting stock.

# Domestic Corporations Controlled by Foreign Persons, 1989

**Table 1.--Financial Items, by Selected Industry and Geographic Area**

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

Selected industry and geographic area <sup>1</sup>	Number of returns			Total assets	Total receipts	Net income (less deficit)	Net income	U.S. income subject to tax	Total U.S. income tax	
	Total	With net income	With income tax <sup>2</sup>						Before credits	After credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>ALL INDUSTRIES</b>										
All geographic areas.....	44,840	17,697	12,971	1,429,150,004	967,121,100	8,308,450	27,580,522	20,810,707	7,539,940	6,161,053
Canada.....	6,993	2,801	2,045	146,363,385	92,971,142	196,352	2,831,522	1,903,650	702,587	613,209
Latin America, total.....	7,431	2,960	1,923	54,197,402	32,283,147	84,627	1,146,642	663,748	238,140	171,565
Mexico.....	2,019	923	722	3,436,623	2,869,476	-70,912	44,667	28,393	8,679	7,264
Central America, total.....	1,671	169	134	8,055,606	7,439,488	23,281	234,068	220,947	75,156	35,293
Panama.....	1,661	166	134	7,962,730	7,378,422	25,250	232,738	220,947	75,156	35,293
Caribbean, total.....	2,519	1,332	654	38,749,659	17,893,247	123,812	803,176	369,598	140,360	116,732
Cayman Islands.....	391	159	94	4,133,188	2,054,886	-58,825	125,331	84,012	29,166	28,979
Netherlands Antilles.....	1,206	579	472	31,875,198	14,518,989	265,135	634,169	262,660	103,386	80,124
South America.....	1,222	536	414	3,955,515	4,080,936	8,445	64,730	44,810	13,945	12,276
Other Western Hemisphere, total.....	551	57	51	12,615,292	10,129,923	-165,131	177,955	134,264	48,974	47,052
Bermuda.....	204	40	36	12,024,609	9,618,970	-184,866	148,771	111,069	40,988	39,066
Europe, total.....	14,777	6,638	4,930	765,972,837	523,466,471	7,839,256	16,936,892	13,593,952	4,950,949	3,996,992
European Economic Community, total.....	12,250	5,555	4,038	681,331,849	455,166,234	6,880,938	14,895,382	11,914,956	4,344,965	3,494,842
Belgium.....	136	96	59	14,430,890	13,300,364	595,430	693,370	647,198	225,093	110,640
Denmark.....	184	42	43	4,375,489	2,666,597	-75,882	30,502	26,633	9,102	7,915
France.....	1,538	429	301	68,551,268	48,254,661	88,229	987,151	796,335	281,109	250,403
Ireland.....	224	13	*12	11,899,584	2,404,072	-12,678	102,316	*95,909	*33,370	*32,083
Italy.....	825	360	346	7,540,651	4,489,424	-112,135	140,218	106,984	36,272	33,773
Luxembourg.....	141	49	*36	3,129,841	4,809,251	-114,922	26,465	*8,116	*3,569	*3,481
Netherlands.....	1,764	767	380	167,909,086	114,950,718	-205,601	2,105,982	1,578,090	619,598	462,830
United Kingdom.....	4,612	2,609	2,048	308,031,853	175,867,012	4,852,372	7,876,344	6,550,917	2,342,270	1,934,446
West Germany.....	2,528	1,075	702	90,727,027	87,472,808	1,891,827	2,890,760	2,065,285	781,139	646,496
Austria.....	113	*33	*33	2,176,438	2,410,994	-38,474	*25,923	*18,494	*6,215	*5,901
Finland.....	123	*38	*38	6,357,804	3,395,151	-119,166	*49,974	*48,020	*17,030	*7,150
Norway.....	190	93	46	2,891,124	2,355,374	-16,226	56,148	28,283	10,297	9,395
Sweden.....	329	253	258	18,338,335	17,456,610	322,729	465,920	349,017	137,244	101,081
Switzerland.....	1,461	579	432	52,470,470	40,534,047	843,743	1,367,282	1,211,595	427,345	370,857
Africa.....	785	224	*155	735,235	607,842	-13,397	29,178	*6,693	*2,076	*1,830
Asia, total.....	11,636	4,062	3,208	396,816,403	284,639,090	567,799	5,897,967	4,112,336	1,458,294	1,258,517
Hong Kong.....	1,962	762	724	35,604,137	7,313,152	131,757	303,716	143,613	51,348	37,326
Japan.....	6,592	2,090	1,782	322,267,552	253,896,040	-76,427	4,247,443	3,514,160	1,230,856	1,139,024
Kuwait.....	*23	*4	*4	*12,625,357	*2,197,380	*765,758	*843,119	*2,333	*19,121	*19,121
Saudi Arabia.....	*413	*389	*4	*2,559,485	*3,949,915	*220,358	*268,582	*268,283	*95,609	*7,180
South Korea.....	160	89	75	5,946,040	9,047,765	-272,715	37,930	24,980	8,507	8,420
Oceania, total.....	497	138	104	47,416,433	18,170,413	-379,080	234,632	131,348	49,982	41,292
Australia.....	344	108	74	46,558,675	17,376,336	-370,237	220,256	120,586	46,453	37,865
Puerto Rico and U.S. Possessions.....	*31	*28	*28	*1,646,102	*1,057,253	*184,335	*185,623	*181,417	*61,864	*6,377
Country not stated.....	2,138	788	527	3,386,914	3,795,821	-6,312	140,112	83,297	27,074	24,219

Footnotes at end of table.

# Domestic Corporations Controlled by Foreign Persons, 1989

**Table 1.—Financial Items, by Selected Industry and Geographic Area—Continued**

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

Selected industry and geographic area <sup>1</sup>	Number of returns			Total assets	Total receipts <sup>-</sup>	Net income (less deficit)	Net income	U.S. income subject to tax	Total U.S. income tax	
	Total	With net income	With income tax <sup>2</sup>						Before credits	After credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>MANUFACTURING</b>										
All geographic areas.....	4,859	2,589	2,455	520,621,118	399,329,710	6,687,526	13,401,363	11,226,287	4,046,646	3,342,108
Canada.....	611	429	412	50,286,371	43,544,314	613,766	1,394,397	1,003,613	360,935	309,162
Latin America, total.....	612	536	483	10,267,187	7,810,318	60,527	271,940	221,582	82,936	68,136
Mexico.....	*422	**	**	*1,426,475	*1,006,423	*-25,050	**	**	**	**
Central America, total....	*7	—	—	*667,592	*1,324,547	*-57,510	—	—	—	—
Panama.....	*7	—	—	*667,592	*1,324,547	*-57,510	—	—	—	—
Caribbean, total.....	179	112	60	8,139,025	5,403,311	141,887	263,854	215,793	80,980	66,435
Cayman Islands.....	*59	*54	**	*868,399	*685,289	*60,219	*67,449	**	**	**
Netherlands Antilles....	98	57	58	7,015,626	4,121,059	87,045	193,103	153,453	59,608	45,063
South America.....	*3	**	**	*34,096	*76,037	*1,199	**	**	**	**
Other Western Hemisphere, total.....	*18	**	**	*2,927,100	*3,532,766	*26,187	**	**	**	**
Bermuda.....	*18	**	**	*2,927,100	*3,532,766	*26,187	**	**	**	**
Europe, total.....	2,258	1,093	1,054	380,139,530	288,554,511	6,929,485	10,573,496	9,169,348	3,302,339	2,690,450
European Economic Community, total.....	1,888	888	848	339,043,744	249,080,054	5,929,861	9,152,096	7,904,628	2,851,662	2,324,456
Belgium.....	*10	*7	*7	*6,908,262	*5,751,188	*13,270	*84,958	*81,314	*28,285	*24,381
Denmark.....	*30	*4	*4	*272,240	*526,926	*-20,115	*11,469	*8,346	*2,926	*2,926
France.....	164	106	105	34,526,413	26,714,234	-74,999	509,609	396,681	142,552	134,226
Ireland.....	*5	*5	*5	*433,217	*467,653	*11,592	*11,592	*11,129	*4,357	*4,354
Italy.....	365	*39	*25	1,544,248	1,715,129	-28,275	*52,625	*37,675	*13,366	*11,165
Luxembourg.....	*19	*4	*5	*414,998	*325,348	*-7,661	*3,804	*2,185	*1,342	*1,342
Netherlands.....	323	84	96	105,715,903	76,098,804	551,892	1,400,394	1,174,371	457,570	305,588
United Kingdom.....	482	357	361	150,158,661	99,300,271	4,720,439	5,812,952	5,201,685	1,853,976	1,550,264
West Germany.....	473	268	225	38,899,623	38,102,276	781,640	1,263,532	990,081	347,055	289,978
Austria.....	*8	—	—	*137,458	*68,369	*-12,954	—	—	—	—
Finland.....	11	*4	*4	2,263,697	1,889,943	-45,400	*17,027	*15,399	*5,728	*5,677
Norway.....	*7	**	**	*417,340	*1,036,156	*8,037	**	**	**	**
Sweden.....	61	52	56	8,243,651	10,130,563	249,729	337,348	265,437	96,414	62,601
Switzerland.....	255	121	119	29,694,026	25,797,097	800,562	1,043,323	973,463	344,505	294,362
Africa.....	*4	**	**	*16,061	*45,915	*2,333	**	**	**	**
Asia, total.....	1,099	343	314	46,244,652	45,912,620	-829,857	935,446	653,524	236,199	220,369
Hong Kong.....	*10	**	**	*438,412	*352,968	*-5,806	**	**	**	**
Japan.....	902	237	207	40,783,749	38,899,039	-685,433	855,372	599,460	217,174	201,916
Kuwait.....	**	**	**	**	**	**	**	**	**	**
Saudi Arabia.....	**	**	**	**	**	**	**	**	**	**
South Korea.....	*42	*13	*13	*643,922	*787,248	*-96,030	*1,107	*272	*57	*57
Oceania, total.....	61	32	*33	29,874,028	8,771,791	-97,430	110,915	*78,055	*29,038	*20,728
Australia.....	57	29	*30	29,822,219	8,726,933	-98,100	110,245	*77,385	*28,832	*20,624
Puerto Rico and U.S. Possessions.....	*8	*5	*5	*177,020	*345,655	*6,108	*7,395	*7,383	*2,690	*2,176
Country not stated.....	188	*147	*148	689,168	811,819	-23,593	*26,732	*25,537	*8,953	*8,953

Footnotes at end of table.

# Domestic Corporations Controlled by Foreign Persons, 1989

**Table 1.—Financial Items, by Selected Industry and Geographic Area—Continued**

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

Selected industry and geographic area <sup>1</sup>	Number of returns			Total assets	Total receipts	Net income (less deficit)	Net income	U.S. income subject to tax	Total U.S. income tax	
	Total	With net income	With income tax <sup>2</sup>						Before credits	After credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>WHOLESALE AND RETAIL TRADE</b>										
All geographic areas.....	13,710	6,174	4,787	191,001,844	397,251,079	869,567	5,330,319	4,213,308	1,520,303	1,419,259
Canada.....	1,248	581	585	20,890,171	27,869,293	-308,946	305,104	186,544	68,691	63,187
Latin America, total.....	2,249	1,168	629	6,215,306	12,153,176	10,475	165,544	70,937	23,607	21,385
Mexico.....	541	296	*277	669,459	1,631,512	1,933	17,949	*14,966	*4,214	*3,663
Central America, total.....	522	*88	*77	783,381	1,707,471	4,222	*25,353	*19,042	*6,121	*6,121
Panama.....	519	*85	*77	740,026	1,649,908	2,892	*24,022	*19,042	*6,121	*6,121
Caribbean, total.....	656	488	*80	3,946,760	5,473,065	-31,734	77,859	*9,867	*4,516	*4,308
Cayman Islands.....	*26	*6	*6	*434,684	*477,301	*3,149	*17,472	*2,475	*1,140	*997
Netherlands Antilles.....	141	*51	*36	2,949,611	4,633,886	-12,424	*52,564	*3,328	*2,286	*2,286
South America.....	530	296	*196	815,705	3,341,128	36,054	44,384	*27,062	*8,755	*7,293
Other Western Hemisphere, total.....	297	*7	*8	2,330,482	4,407,873	-132,081	*10,422	*185	*299	*299
Bermuda.....	*25	*4	*5	*2,147,723	*4,099,725	*-133,736	*5,058	*185	*209	*209
Europe, total.....	4,297	2,322	1,771	66,741,596	146,914,735	598,744	2,527,364	1,962,433	747,696	677,796
European Economic Community, total.....	3,508	1,878	1,408	59,425,750	130,293,352	618,355	2,264,092	1,769,995	672,789	606,105
Belgium.....	*50	*46	*8	*1,817,147	*5,997,210	*211,789	*223,092	*210,903	*72,474	*71,700
Denmark.....	100	*28	*30	684,307	1,159,928	-37,279	*4,272	*3,626	*1,205	*965
France.....	606	146	97	5,348,157	14,964,393	75,970	219,974	191,607	65,659	64,900
Ireland.....	*4	**	**	*166,304	*261,558	*-33,238	**	**	**	**
Italy.....	430	301	301	1,297,143	1,860,726	-11,399	59,507	56,747	18,241	18,175
Luxembourg.....	*39	**	**	*367,372	*3,716,835	*-19,573	**	**	**	**
Netherlands.....	275	195	196	9,208,207	22,344,104	-261,354	249,784	173,989	62,815	62,341
United Kingdom.....	1,191	506	398	17,018,256	40,597,939	-3,907	461,053	295,638	105,852	101,647
West Germany.....	677	526	263	23,261,527	39,031,502	699,700	1,018,638	816,166	339,495	279,764
Austria.....	81	*31	*31	580,745	1,919,024	-5,228	*21,845	*16,114	*5,405	*5,109
Finland.....	*49	*29	*29	*753,544	*790,014	*-62,306	*2,484	*2,484	*530	*530
Norway.....	*95	*78	*31	*295,614	*658,967	*8,438	*14,422	*10,253	*3,282	*3,282
Sweden.....	148	123	123	2,692,630	5,490,623	40,762	79,789	46,561	25,584	24,244
Switzerland.....	354	173	140	2,277,420	6,330,718	48,919	139,826	116,556	39,930	38,406
Africa.....	*101	*51	*51	*216,294	*404,517	*11,219	*11,257	*6,483	*1,774	*1,528
Asia, total.....	4,517	1,698	1,574	92,675,855	201,662,556	707,295	2,262,176	1,945,488	664,752	642,578
Hong Kong.....	748	498	498	1,229,025	2,292,922	178	77,372	73,313	24,247	23,748
Japan.....	2,663	916	845	84,736,615	186,155,117	938,005	2,124,805	1,839,567	630,072	608,907
Kuwait.....	-	-	-	-	-	-	-	-	-	-
Saudi Arabia.....	-	-	-	-	-	-	-	-	-	-
South Korea.....	109	72	58	4,388,987	8,173,139	-179,257	28,470	16,914	5,787	5,700
Oceania, total.....	170	*46	*39	1,022,514	2,160,661	-21,537	*14,779	*11,581	*3,614	*3,614
Australia.....	*50	*26	*18	*641,429	*1,526,343	*-3,143	*13,934	*10,736	*3,488	*3,488
Puerto Rico and U.S. Possessions.....	*15	*15	*15	*63,962	*67,781	*227	*227	*227	*34	*34
Country not stated.....	817	*285	*114	845,664	1,610,488	4,170	*33,445	*29,429	*9,835	*8,837

Footnotes at end of table.

# Domestic Corporations Controlled by Foreign Persons, 1989

**Table 1.—Financial Items, by Selected Industry and Geographic Area—Continued**

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

Selected industry and geographic area <sup>1</sup>	Number of returns			Total assets	Total receipts	Net income (less deficit)	Net income	U.S. income subject to tax	Total U.S. income tax	
	Total	With net income	With income tax <sup>2</sup>						Before credits	After credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>FINANCE, INSURANCE AND REAL ESTATE</b>										
<b>All geographic areas.....</b>	<b>16,161</b>	<b>4,801</b>	<b>2,948</b>	<b>589,637,053</b>	<b>92,523,310</b>	<b>790,893</b>	<b>4,850,138</b>	<b>3,084,936</b>	<b>1,100,985</b>	<b>946,074</b>
Canada.....	3,466	1,001	414	59,694,040	11,658,436	85,843	657,157	451,320	163,791	135,994
Latin America, total.....	3,729	1,013	751	28,774,260	5,260,863	-23,385	429,514	157,520	57,564	47,986
Mexico.....	732	*99	*4	1,136,637	124,112	-33,077	*11,579	*4,162	*1,424	*850
Central America, total.....	917	*74	*47	1,882,524	1,228,001	-76,749	*3,854	*2,205	*746	*746
Panama.....	910	*74	*47	1,833,002	1,224,498	-73,450	*3,854	*2,205	*746	*746
Caribbean, total.....	1,447	630	491	22,925,710	3,570,413	99,345	396,745	135,535	50,880	42,038
Cayman Islands.....	191	*69	*75	2,153,292	339,721	-76,330	*26,560	*19,099	*6,582	*6,570
Netherlands Antilles.....	849	402	366	19,433,156	3,003,162	202,024	337,747	97,573	37,683	28,966
South America.....	633	209	209	2,829,389	338,336	-12,904	17,336	15,618	4,514	4,352
Other Western Hemisphere, total.....	210	32	30	2,047,465	642,616	16,315	68,062	55,732	19,186	18,749
Bermuda.....	139	20	18	1,685,904	453,267	-1,203	44,803	32,537	11,290	10,853
Europe, total.....	3,662	1,309	460	260,538,652	48,695,463	689,585	2,303,386	1,355,950	482,472	419,454
European Economic Community, total.....	2,914	1,148	355	228,588,979	41,502,319	652,466	2,066,217	1,216,972	433,219	381,257
Belgium.....	*10	**	**	*2,943,854	*212,595	*8,271	**	**	**	**
Denmark.....	14	*9	*7	3,071,814	304,216	-10,635	*7,991	*7,891	*2,658	*2,658
France.....	196	102	41	24,214,995	3,214,258	94,111	129,766	110,616	37,936	23,379
Ireland.....	*7	**	**	*10,520,077	*1,348,248	*52,384	**	**	**	**
Italy.....	16	**	**	3,658,697	429,400	-5,578	**	**	**	**
Luxembourg.....	46	*6	*6	1,039,205	255,690	-49,319	*11,431	*631	*434	*362
Netherlands.....	866	448	43	41,105,107	9,783,563	-144,722	318,737	151,270	56,404	55,645
United Kingdom.....	1,342	479	165	112,388,440	20,243,790	365,588	1,050,881	614,177	219,502	200,002
West Germany.....	337	66	58	25,402,585	5,305,732	340,157	437,369	231,237	81,323	66,127
Austria.....	*23	**	**	*1,372,836	*419,079	*3,144	**	**	**	**
Finland.....	*17	*5	*5	*3,129,822	*584,847	*7,019	*30,462	*30,137	*10,772	*943
Norway.....	59	*7	*7	1,696,639	493,556	-15,339	*19,759	*13,838	*4,836	*4,609
Sweden.....	38	19	20	7,078,857	1,406,016	26,290	41,235	30,887	10,838	10,463
Switzerland.....	498	119	62	17,570,258	4,198,928	-2,617	101,289	60,615	21,619	21,014
Africa.....	665	*165	*97	376,581	131,087	-16,739	*3,630	*150	*22	*22
Asia, total.....	3,873	1,187	1,112	230,371,957	24,940,523	13,624	1,297,107	1,016,522	361,342	307,466
Hong Kong.....	1,085	255	*217	33,762,342	4,628,076	181,232	220,971	*64,927	*25,273	*11,750
Japan.....	1,811	564	547	180,865,482	18,688,279	-4,294	972,362	853,370	302,452	266,257
Kuwait.....	*17	**	**	*1,692,348	*236,063	*-70,679	**	**	**	**
Saudi Arabia.....	*24	**	**	*172,114	*49,778	*-3,513	**	**	**	**
South Korea.....	*4	*4	*4	*683,891	*70,610	*8,354	*8,354	*7,794	*2,662	*2,662
Oceania, total.....	125	22	19	6,427,556	590,524	27,275	40,391	27,417	9,861	9,857
Australia.....	94	16	*13	6,002,692	475,623	18,394	27,530	*18,170	*6,664	*6,660
Puerto Rico and U.S. Possessions.....	*6	*6	*6	*40,571	*20,687	*16,281	*16,281	*12,087	*4,167	*4,167
Country not stated.....	424	*64	*59	1,365,972	583,112	-17,905	*34,610	*8,239	*2,581	*2,383

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

\*\* Not shown to avoid disclosure about specific corporations. However, data are included in the appropriate totals.

<sup>1</sup> Selected industries include manufacturing; wholesale and retail trade; and finance, insurance, and real estate; together they accounted for 91 and 92 percent of total assets and receipts, respectively. Industries comprising the remainder include: agriculture, forestry, and fishing; mining; construction; transportation and public utilities; services; and nature of business not allocable. Selected geographic areas are based on the location of the owner's country of residence, incorporation, organization, creation, or administration.

<sup>2</sup> Total income tax before credits. After the reduction of tax by credits, the number of returns may have been less than what is shown in this column.

# Private Foundations and Charitable Trusts, 1989

by Alicia Meckstroth

**P** rivate foundations experienced a strong year for 1989 as both total revenues and total assets increased markedly from 1988 [1]. Total foundation revenues increased by 22 percent, to \$19.9 billion, reversing the trend of declining revenues from 1986 to 1988 [2]. Increased revenues resulted largely from significant increases in the amount of contributions received, 32 percent, and net gains from sales of assets, 30 percent. Decreases in these two items contributed to declining revenues for the 2 previous years. Total foundation assets increased at the highest annual rate of the past decade, by 18 percent, to \$151.7 billion. Assisted by a relatively strong stock market in 1989, the value of investments in securities, which represented 80 percent of total assets, increased by 22 percent. Foundations maintained a consistent level of growth in charitable giving for 1989, with the amount of their contributions and grants increasing by 10 percent over 1988, to \$8.1 billion. Additionally, for 1989, over 2,600 Internal Revenue Code section 4947(a)(1) charitable trusts held \$2.9 billion in total assets, realized \$404.6 million in total revenues and distributed \$143.7 million in contributions and grants [3].

## Changes in Foundation Revenue, Assets and Grants, 1988 to 1989

The increases in contributions received, net gains from sales of assets, and dividends and interest from securities largely explain the growth in foundation revenue for 1989. These three revenue components comprised almost 90 percent of the \$19.9 billion of total foundation revenue for 1989. Nearly 18,000 foundations, or 46 percent of the population, received contributions that totaled \$6.9 billion for 1989. Over half of all foundations, 54 percent, received no contributions for 1989. A slightly larger percentage of the small foundations received contributions compared to the large foundations. While all foundation size-groups received notable increases in contributions, the largest foundations, those holding \$100 million or more in fair market value of total assets, received contributions from donors that were 136 percent more than the contributions that they received in 1988. In contrast, from 1986 to 1988, contributions to the largest foundations fell by over 50 percent. Large foundations typically do not rely heavily on contributions received as a source of revenue. Figure A depicts percentage changes for various revenue items, as well as for other selected data, for the period 1987 to 1989.

*Alicia Meckstroth is an economist with the Foreign Special Projects Section. This article was prepared under the direction of Michael Alexander, Chief.*

Figure A

## Private Foundations: Increases in Selected Financial Items, 1987-1989

Item	Percentage Increase	
	1987 to 1988	1988 to 1989
Fair market value of total assets.....	12.8	17.7
Investments in securities.....	14.0	21.9
Total revenue.....	-4.9	22.3
Net gain (less loss) from sale of assets.....	-34.4	29.8
Contributions, gifts and grants received.....	-0.3	31.7
Dividends and interest from securities.....	11.0	19.1
Total expenses.....	7.5	10.0
Contributions, gifts and grants paid.....	9.0	9.9
Excess of revenue (less loss) over expenses...	-18.9	40.7

Aided by a relatively strong stock market, foundations earned over 60 percent of their revenue from investment income (primarily dividends and interest from securities and net gains from sales of assets). Foundations reported \$5 billion in gains and had less than \$0.2 billion in losses. The net gains from sales of assets primarily represented gains from sales of investments in securities (e.g., corporate stocks and bonds and Government obligations). The small foundations, those holding less than \$1 million in fair market value of total assets, reported 36 percent more in net gains for 1989 than for 1988, while the largest foundations reported 22 percent more in net gains for 1989 [4]. This is significant since small foundations, compared to large foundations, tend to rely less on gains from sales of assets and more on contributions. Foundations seemed to have recovered from the October 1987 stock market decline which lowered real asset values and resulted in notable decreases in net gains for both 1987 and 1988.

Total expenses increased at less than half the rate of total revenues, 10 percent, compared to 22 percent for total revenue. This disparity helps to explain the 41-percent increase in the excess of revenue (less loss) over expenses. The amount of contributions, gifts and grants given by foundations comprised nearly 80 percent of total expenses. Total foundation grants grew at a relatively constant rate compared to previous years, 10 percent. The amount of administrative expenses used in the grantmaking process, termed "grant administrative expenses," equaled only 4 percent of total foundation expenses.

Total foundation assets increased by 18 percent from 1988 to 1989, to \$151.7 billion. This growth rate represented the biggest annual gain in foundation assets of the

# Private Foundations and Charitable Trusts, 1989

**Private foundations accounted for 23 percent of the tax-exempt charitable organizations filing with the Internal Revenue Service.**

decade. The largest foundations realized the greatest gains in assets, increasing from \$68.0 billion for 1988 to \$85.2 billion for 1989, or 25 percent. The total assets of the smallest foundations, in contrast, increased by only 4 percent. "Bracket creep" explains part of the disparity between these size groups.

Bracket creep refers to foundations that moved to a larger asset size group due to increases in their assets, either from inflation or from appreciation or new acquisitions. Foundations held \$121.4 billion in investment securities, or 80 percent of total assets. The growth in these investments, 22 percent from 1988 to 1989, explains much of the growth in assets. As with total assets, the largest foundations realized the greatest gains in investment securities, 29 percent, compared to 6 percent for the small foundations. Beginning with the 1990 statistics, data will be available on investments in corporate stock, corporate bonds and U.S. and State Government obligations.

Comparisons of the different size classes of foundations are discussed throughout this article. The following classifications apply throughout, unless otherwise indicated: the "smallest foundations" refers to the group holding less than \$100,000 in fair market value of total assets (excluding foundations that report assets equal to zero); "small foundations" refers to the group holding less than \$1 million in assets (excluding foundations that report assets equal to zero); "medium-size foundations" refers to the group holding from \$1 million to less than \$50 million in assets; "large foundations" refers to the group holding \$50 million or more in assets; and, the "largest foundations" refers to the group holding \$100 million or more in assets.

## Overview and Explanation of Private Foundations

### Statistics of Income Studies

The statistics presented on private foundations and Internal Revenue Code section 4947(a)(1) charitable trusts are based on data from Form 990-PF, *Return of Private Foundation (or Section 4947(a)(1) Charitable Trust Treated as a Private Foundation)*, the annual information return filed by these organizations [5]. The 1989 study year represents the first time since 1979 that Statistics of Income has included data on the 4947(a)(1) charitable trusts that file Form 990-PF. Statistical studies

on private foundations have previously been conducted for Reporting Years 1974, 1979, 1982, 1983, and 1985 through 1988. Data for 1987 and earlier years were published in the *Compendium of Studies of Tax-Exempt Organizations, 1974-1987* [6]. A second Compendium, covering data from 1987 to 1989, will be published during 1993. With the exception of Reporting Year 1974, data for the above-cited years have also been published in the *Statistics of Income Bulletin* [7].

### Organizations and Activities

A private foundation is a nonprofit, tax-exempt corporation, association or trust which is narrowly supported and controlled, usually by an individual, family or corporation, as opposed to an organization receiving broad support from a large number of sources within the general public. This narrow base of support and control helps to differentiate a private foundation from a publicly supported tax-exempt charitable organization. Both receive tax exemption under section 501(c)(3) [8]. Because of the centralized support and control, private foundations are more strictly regulated under the law than are the other section 501(c)(3) organizations that file the Form 990, *Return of Organization Exempt From Income Tax*. Private foundations represent approximately 23 percent of the total number of 501(c)(3) tax-exempt organizations that file information returns with the Internal Revenue Service (IRS). Of these organizations, foundations hold 15 percent of the total (book value) of assets and earn only 4 percent of total revenue.

The section 4947(a)(1) charitable trusts that are included in this study are treated separately in both the statistical and descriptive analyses. Information on these charitable trusts can be found beginning with the section on charitable trusts. These trusts have exclusively charitable interests and, like foundations, they file the Form 990-PF. They represent only 6 percent of all Form 990-PF filers. Other 4947(a)(1) charitable trusts, which receive the majority of their support from public, rather than from private sources, file the Form 990. Section 4947(a)(2) split-interest trusts, which have both charitable and noncharitable beneficiaries, file the Form 5227, *Split-Interest Trust Information Return*. These latter two varieties of trusts are *not* covered in this article. As a note, foundations exempt under section 501(c)(3) represent 94 percent of the total number of Form 990-PF filers. The trusts examined here, like private foundations, are subject to the same charitable distribution and excise tax requirements as foundations. One difference between the two, however, is that the section 4947(a)(1) trusts are not exempt from Federal income tax, as are the private foun-

## Private Foundations and Charitable Trusts, 1989

dations [9]. A further description of the characteristics and the requirements of foundations and trusts follows. The same background information and requirements apply to both types of Form 990-PF filers. Beginning with the section, Charitable Trusts, differences in the characteristics and behavior of the two types of Form 990-PF filers are presented.

The two types of private foundations, "operating" and "nonoperating," are distinguished by the type of charitable support that they provide and the activities that they conduct. Nonoperating foundations generally provide indirect charitable support by making grants to other section 501(c)(3) organizations that conduct charitable programs of their own [10]. Nonoperating foundations are required to distribute annually (normally through grants or related expenses) a minimum amount for charitable purposes. If they do not distribute the required amount in the current year, they have until the end of the following year to do so without penalty. The minimum required amount is based on the value of their "net investment assets" (also known as "noncharitable-use assets").

If an organization is sufficiently involved in the direct operation of its charitable activities, then it can qualify as an operating foundation and is excepted from the income distribution requirement that applies to nonoperating foundations. Although operating foundations are not subject to the annual payout requirement, many choose to make grants in addition to carrying on charitable programs of their own. (For a further explanation of the requirements of operating foundations; see operating foundations (and section 4947(a)(1) trusts) in the Explanation of Selected Terms section.)

Individual income tax deductions for contributions to nonoperating foundations are generally more restrictive than deductions for contributions made to operating foundations or other section 501(c)(3) organizations. Contributions that either establish or support a nonoperating foundation qualify for a Federal tax deduction of up to 30 percent of the donor's "adjusted gross income." This compares to the 50-percent deduction for donations to operating foundations and to other 501(c)(3) nonprofit charitable organizations (Form 990 filers).

Passage of the Tax Reform Act of 1969 (TRA69) subjected foundations to an excise tax on "net investment income" for the first time.

While most private foundations pay the excise tax on net

investment income, some operating foundations are exempt from this tax (see the section, Excise Tax on Net Investment Income). TRA69 also imposed a two-tier system of penalty taxes on foundations that engaged in "prohibited activities" which were deemed not to be in the public interest, e.g., nonoperating foundations that failed to distribute the required minimum payout after a 1-year grace period; that attempted to influence legislation by contacting legislators or encouraging the public to contact legislators regarding proposed changes to the law; or that engaged in certain financial transactions with persons having a relationship with the foundation, such as substantial contributors or officers, directors or trustees.

Of the estimated 38,800 active private foundations filing Form 990-PF information returns for 1989, about 92 percent were nonoperating foundations and the remaining 8 percent were operating foundations, virtually the same percentages as for 1988. Approximately 32,600 were grantmaking foundations. About 87 percent of the nonoperating foundations and 51 percent of the operating foundations made grants for 1989. Of the non-grantmaking foundations, approximately 24 percent were operating foundations, while another 21 percent were nonoperating foundations that had no "distributable amount" and, therefore, were not required to make a minimum distribution (see the Explanation of Selected Terms section for a definition of the required distributable amount). An additional 35 percent of the non-grantmakers were nonoperating foundations that made other types of disbursements in order to satisfy the minimum distribution requirement. These other types of disbursements included the following: operating and administrative expenses used in the conduct of charitable programs or activities; amounts paid to acquire charitable-use assets; set-asides to future time periods; and, program-related investments. The remaining nonoperating, non-grantmaking foundations that did not fully make the required distribution for 1989, had, by law, until the end of their 1990 accounting period to do so without any tax penalty. Some non-grantmaking foundations were "failed public charities" that had been reclassified by the IRS as nonoperating foundations. Many of these charities continued to operate direct charitable programs rather than make grants to other tax-exempt organizations [11].

Foreign foundations (those foundations organized abroad) comprise a small portion of the foundation population. For 1989, over 50 foreign foundations, holding \$9.1 billion in assets, filed Form 990-PF. A foreign foundation filing Form 990-PF typically files because it receives support from either American citizens or corporations. These foundations may or may not distribute

**About 92 percent of all foundations were "nonoperating" foundations; 87 percent of nonoperating foundations made grants for 1989.**



## Private Foundations and Charitable Trusts, 1989

charitable grants within the United States. Like domestic foundations, the IRS requires that foreign foundations pay an excise tax on investment income. While the excise tax equals 2 percent of net investment income for the majority of domestic foundations, the tax on foreign foundations equals 4 percent of the gross investment income derived from U.S. sources. Some foreign foundations, classified as "exempt foreign foundations," are not subject to the charitable payout requirement, but still are required to pay the excise tax on investment income. Exempt foreign foundations typically receive at least 85 percent of their support from sources outside of the United States. Due to special treaty provisions with the United States, all Canadian foundations are exempted from the excise tax, regardless of whether or not they are considered "exempt foreign foundations."

### Top Ten Domestic Foundations

The largest foundations hold the vast majority of total foundation assets, but comprise only a small minority of the total number of foundations. The largest foundations, those holding total assets with a fair market value of \$100 million or more, comprised less than 0.5 percent of all foundations for 1989, but held well over half of total foundation assets and realized over two-fifths of total foundation revenue. The number of foundations holding \$100 million or more in assets increased by 13 percent from 1988 to 1989 and the total assets of this size group increased by over 25 percent. Only 4 percent of all private foundations held assets worth \$10 million or more, but they held 82 percent of total assets and earned 70 percent of total revenue. In contrast, the group of foundations considered to be small in size, those holding less than \$1 million in assets, accounted for 75 percent of all foundations, but held less than 4 percent of total assets and earned approximately 8 percent of total revenue. The top ten domestic foundations, displayed in Figure B, held approximately \$30 billion, or nearly one-fifth of all foundation assets for 1989. A foundation is considered domestic if it is organized in the United States; however, this does not necessarily imply that all of its activities or grant recipients are domestic. The ten largest foundations distributed one-tenth of all foundation charitable grants for 1989, or \$847 million.

The establishment of a new \$1-billion foundation, The Annenberg Foundation, added \$1.2 billion in assets and \$59.6 million in grants to the foundation totals. This foundation barely missed the "top ten" category. In addition, the Lilly Endowment realized an increase in assets of 57 percent over 1988. The assets of the Ford Foundation, alone, accounted for nearly 4 percent of total

**Figure B**

### Top Ten Domestic Private Foundations, by Size of Fair Market Value of Total Assets, 1989

[Money amounts are in millions of dollars]

Name	Total assets	Total grants paid
1. Ford Foundation.....	5,511	228
2. J. Paul Getty Trust <sup>1</sup> .....	4,816	8
3. John D. and Catherine T. MacArthur Foundation.....	3,379	112
4. W.K. Kellogg Foundation Trust/ W.K. Kellogg Foundation <sup>2</sup> .....	3,248	118
5. Lilly Endowment, Inc.....	3,029	93
6. Robert Wood Johnson Foundation.....	2,613	49
7. Rockefeller Foundation.....	2,140	66
8. Pew Memorial Trust.....	2,058	85
9. Andrew W. Mellon Foundation.....	1,884	76
10. Kresge Foundation <sup>3</sup> .....	1,261	12
<b>Total.....</b>	<b>29,939</b>	<b>847</b>

<sup>1</sup> The J. Paul Getty Trust is an operating foundation. All other foundations listed are nonoperating foundations.

<sup>2</sup> The W.K. Kellogg Foundation Trust (classified as a private foundation and not as a 4947(a)(1) charitable trust) is located in New York and has a "pass-through" relationship with the W.K. Kellogg Foundation, located in Michigan. Typically, the entire amount of the annual qualifying (charitable) distributions of the W.K. Kellogg Foundation Trust is made in the form of a grant to the W.K. Kellogg Foundation, which redistributes the grant for charitable purposes (and does not count the redistribution as a qualifying distribution of its own). The combined total assets of the two are shown in the "Total assets" column, but the "pass-through" grant of the W.K. Kellogg Foundation Trust is excluded from the "Total grants paid" column in order to avoid duplication.

<sup>3</sup> There were 69 other foundations that held less than \$1.3 billion in assets and that distributed more than \$12 million in the form of contributions, gifts and grants.

foundation assets. While the Ford Foundation actually held almost \$700 million more in assets than any other foundation, its total assets declined by 6 percent from 1988 to 1989. Furthermore, the Ford Foundation's net gains from sales of assets declined by 14 percent. The W.K. Kellogg Foundation Trust also realized a sizable loss in assets, over 11 percent, due, in most part, to a drop in the price of the Kellogg Company stock [12]. The Ford Foundation had an accounting period ending in September 1990, and the Kellogg Foundation Trust, August 1990; therefore much of their activity occurred in Calendar Year 1990.

### Sources of Foundation Revenue

As mentioned previously, foundations rebounded from declining revenues during the 1986 to 1988 period by realizing \$19.9 billion in total revenues for 1989, an

# Private Foundations and Charitable Trusts, 1989

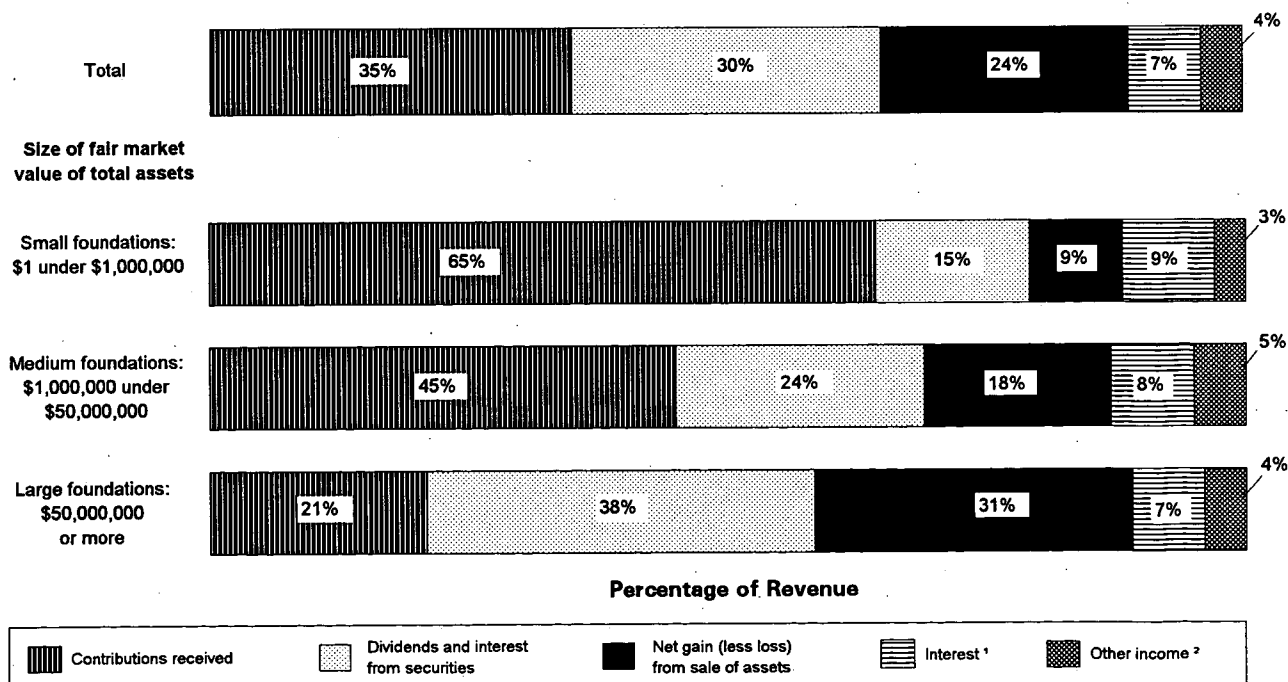
increase of 22 percent over 1988. During the time period 1986 to 1988, total revenues decreased by 19 percent in current dollars. Total revenue for 1989, in fact, was still close to 1 percent less than for 1986, or 11 percent less when measured in constant dollars. Largely contributing to the growth in foundation revenues for 1989 were the significant increases in contributions to foundations, 32 percent, and net gains from sales of assets, 30 percent. Both of these sources of revenue declined from both 1986 to 1987 and from 1987 to 1988. Supported by a strong, bullish stock market for 1989 that most likely led to higher market values for many of the foundations' stocks, foundations may have been more likely to sell a greater number of securities for greater gains when compared to the 2 previous years.

The notable rates of growth in contributions to foundations and net gains from sales of assets are significant since, combined, they comprised nearly three-fifths of total revenue. Figure C displays the sources of foundation

revenue for 1989 for all foundations and for three different sizes of foundations: "small," "medium" and "large." Clearly, the small foundations derive a much larger percentage of their revenue from contributions, 65 percent. In contrast, the large foundations derive only 21 percent from contributions. However, combining the two revenue components, "dividends and interest from securities," and "net gain (less loss) from sales of assets," shows that the small foundations earned only 24 percent of total revenue from these two sources of investment income, while the large foundations earned 69 percent in this manner. Trends seem to show that as the size of the foundation increases, the proportion of revenue from contributions declines and the proportion of revenue from investment income rises. In terms of the different size groups, the small foundations realized a 15-percent increase in total revenues for 1989, while the largest foundations realized an increase two times as much, 30 percent.

**Figure C**

## Sources of Private Foundation Revenue, by Size of Foundation, 1989



<sup>1</sup> Represents "Interest on savings and temporary cash investments," as reported on Form 990-PF.

<sup>2</sup> Includes, for example, gross rents, gross sales minus returns and allowances, imputed interest on deferred payments, and program-related investment income.

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

## Private Foundations and Charitable Trusts, 1989

Figure D depicts the ratio of the amount of charitable grants distributed by foundations to the amount of contributions received by foundations for 1989. Only 46 percent of all foundations (and 44 percent of grantmaking foundations) actually received contributions. This pattern does not vary notably across the different size categories. Even so, smaller foundations are oftentimes referred to as "pass-through" foundations, meaning that they tend to receive contributions in 1 year and then redistribute them either in the same or following year. Among those grantmaking foundations receiving contributions, all those holding less than \$50 million in assets had approximately a one-to-one ratio of grants paid to contributions received. These foundations paid out slightly more in grants than the contributions that they received. In contrast, the large grantmaking foundations paid out nearly two times as much in grants compared to the amount that they received in contributions.

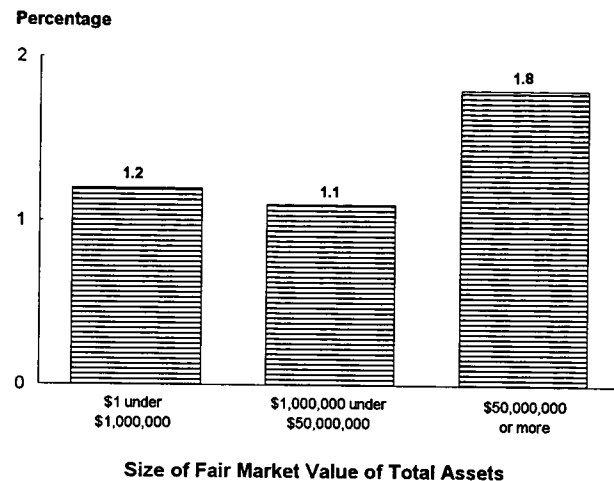
Figure E examines the relationship between charitable grants distributed and investment income. The majority of foundations earn income through investment sources. Investment income, in this case, includes the following items: "net gain (less loss) from sales of assets," "dividends and interest from securities" and "interest on savings and temporary cash investments." The large foundations, as a group, distributed an amount of charitable grants equal to half of the amount of investment income that they earned for 1989. In contrast, the small foundations, as a group, distributed two times as much in charitable grants compared to the amount of investment income that they earned.

### Excise Tax on Net Investment Income

The excise tax on the net investment income of private foundations was enacted through TRA69. Domestic foundations generally are liable for a tax equal to 2 percent of their net investment income and foreign foundations for a tax equal to 4 percent of their gross investment income. Domestic organizations compute the excise tax based on investment income from all sources, while foreign organizations compute the tax based on investment income from U.S. sources only. One provision of the Deficit Reduction Act of 1984 allowed any domestic foundation to reduce the annual 2 percent excise tax to 1 percent, if, simply stated, the foundation showed improvement in the rate at which it paid out charitable dollars. Specifically, if current "qualifying distributions" exceeded a 5-year average of charitable distributions plus 1 percent of current net investment income, a foundation qualified for the reduced tax.

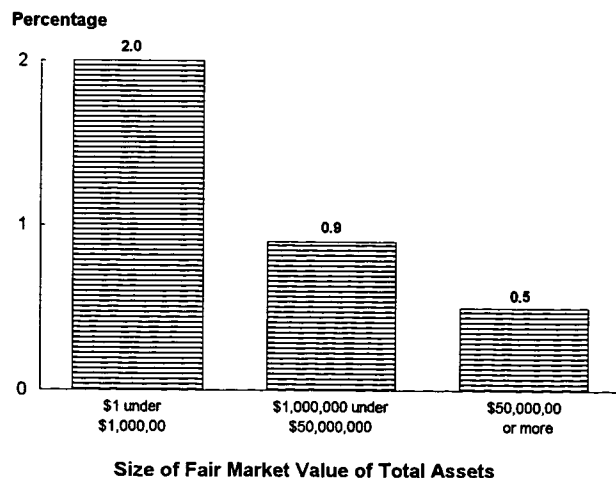
**Figure D**

**Ratio of Total Charitable Grants Distributed to Total Contributions Received, by Size of Grantmaking Private Foundations, 1989**



**Figure E**

**Ratio of Total Charitable Grants Distributed to Total Investment Income, by Size of Grantmaking Private Foundations, 1989<sup>1</sup>**



<sup>1</sup> Investment income includes "net gain (less loss) from sale of assets," "dividends and interest from securities" and "interest on savings and temporary cash investments," as reported on Form 990-PF.

Net investment income, on which the excise tax is based, increased by 16 percent from 1988 to 1989 (see the Explanation of Selected Terms for a complete definition

## Private Foundations and Charitable Trusts, 1989

of net investment income.) For 1989, the IRS reported approximately \$166 million from the excise tax on foundation net investment income, including slightly less than \$1 million from foreign foundations. The total tax represents an increase of 17 percent over 1988. This amount, however, fell short of the amount of excise tax reported for each year from 1983 to 1987 (excluding 1984, for which no data are available). The number of foundations claiming the 1-percent reduction has increased steadily, including a 35-percent increase from 1988 to 1989, possibly explaining much of the decline in the excise tax over the entire 1983 to 1989 period.

### Composition of Foundation Assets

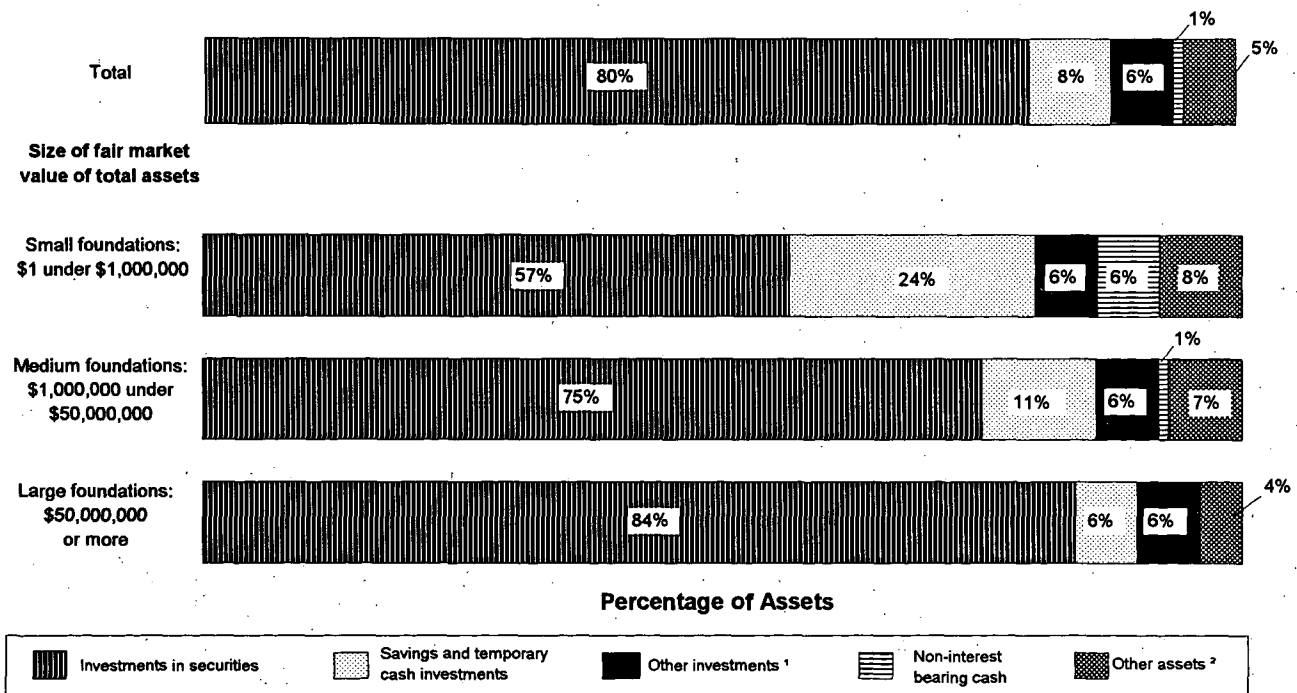
Foundations continued an upward climb in total asset growth for 1989. Total assets grew by 18 percent over 1988, from \$128.9 billion to \$151.7 billion. The 22-percent growth rate in investments in securities largely

explains the growth in assets. Investments in securities, representing 80 percent of all foundation assets, grew from \$99.6 billion for 1988 to \$121.4 billion for 1989. Investments in securities mainly include U.S. and State Government obligations, corporate stock and corporate bonds. Investment assets, including securities as well as investments from other sources, comprised 94 percent of total foundation assets [13].

Investment assets, particularly securities, grew in proportion to total assets as the asset size of the foundations increased. Figure F shows the composition of foundation assets for three different size groups. It shows that small foundations held 57 percent of their assets as securities; medium-size foundations, 75 percent; and the large foundations, 84 percent. Although the large foundations held more investments in securities as a percentage of total assets for 1989 than for 1988, the distribution of assets is not unlike that for 1988 and prior years. In terms

Figure F

### Composition of Private Foundation Assets, by Size of Foundation, 1989



<sup>1</sup> Sum of "Investments in land, buildings and equipment (less accumulated depreciation)," "Investments in mortgage loans" and "Other investments," as reported on Form 990PF. Includes items such as advances; certificates of investment; miscellaneous loan income; and investments in art, coins, gold, gems and paintings.

<sup>2</sup> Includes items such as deferred income, interest-free or low-interest loans made for charitable purposes, and escrow deposits.

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

## Private Foundations and Charitable Trusts, 1989

of the growth of foundation assets, the assets of small foundations increased by only 4 percent for 1989, while those of the largest foundations increased by 25 percent.

While small foundations held less assets as securities, they held substantially more assets as "savings and temporary cash investments," 24 percent, compared to 11 percent for the medium-size foundations, and only 6 percent for the large foundations. As foundation size increases, foundations tend to hold less of their portfolio in savings and temporary cash investments and more as investments in securities. Also, small foundations typically hold a greater percentage of non-interest-bearing cash than large foundations, 6 percent compared to only 0.2 percent, which may indicate that many of the small foundations have less sophisticated financial management practices and a greater need for liquidity of assets. Components of assets other than those discussed above include charitable-use land, buildings and equipment used in the direct operation of a foundation's charitable activities; various receivables; and "other" assets, which includes items such as deferred income, interest-free or low-interest loans made for charitable purposes, and escrow deposits. "Other" assets collectively accounted for only 5 percent of total foundation assets.

### Investing Behavior

Generally, the larger the asset size of a foundation, the more extensively it tends to emphasize the management and growth of its endowment as a means by which to fund charitable giving, both now and in the future. Unlike other charitable nonprofit organizations, (nonoperating) foundations most often distribute grants in order to fulfill their charitable purpose. Because of the relative freedom that foundations have in the investment of their tax-exempt endowments, they are subject to a minimum charitable payout requirement. Allowing for certain exceptions, they must distribute an amount for charitable purposes each year that equals 5-percent of the average value of their net investment assets. (For an explanation and discussion of the payout requirement, see the sections beginning with Charitable Distributions.) In order to fund charitable activity without dipping into their endowments, it is optimal for foundations to realize a rate of total return on assets (defined below) that, on average, equals at least 5 percent plus the costs of investment and the rate of inflation. This makes it possible for them to fulfill the charitable payout requirement without eroding their endowments. For many foundations, especially the larger ones, this represents a very real goal.

Different sizes of foundations tend to have different charitable and investment objectives [14]. For example,

larger foundations may tend to operate with more of a long-term focus. They may invest and manage their assets in order to maintain or increase the size of their endowments by earning income and realizing a return on assets (after accounting for inflation) that will allow them to meet the annual 5-percent payout requirement and hold any remainder as part of their investment portfolio. Many pay out close to 5 percent of net investment assets in the form of charitable dollars each year. The larger foundations hold a greater proportion of assets as investments in securities, including a greater proportion of higher-risk, higher growth common stock that may appreciate in value relatively rapidly [15]. They also may tend to possess the resources needed to use sophisticated investment management services. For these reasons, the larger foundations typically earn higher rates of total return on assets than do the smaller foundations.

In contrast, many of the smaller foundations tend to operate with more of a short-term focus and with the intention of distributing their contributions currently [16]. Oftentimes many of the smaller foundations act as conduits or "pass-through" organizations. In this role, those that receive contributions may distribute them as qualifying distributions in that same year or in the next. The smaller foundations, compared to the larger ones, often do not possess the resources necessary to devote to sophisticated investment and risk management and may not have the same incentives to increase and perpetuate the endowment of the foundation. They tend to hold lower risk assets that do not appreciate as rapidly, thereby resulting in lower returns compared to the larger foundations [17]. Moreover, they may intend to exist for only a short-term period in order to cope with present concerns and to meet immediate charitable needs.

Currently, enabling legislation exists to seek final approval for The Investment Fund for Foundations, a financial instrument for pooled private foundation investments. This proposed fund enjoys great support within the foundation community. It was modeled after The Common Fund for educational institutions and will operate as a section 501(c)(3) nonprofit organization. The Investment Fund for Foundations, by providing investment management services, a variety of investing options, and educational programs on investing, will have the purpose of helping foundations, particularly the smaller ones, to increase their long-run investment performance. This fund will allow foundations to pool their investment assets and

**Larger foundations typically have higher rates of return on assets than do smaller foundations.**

# Private Foundations and Charitable Trusts, 1989

**Figure G**

## Nonoperating Private Foundation Net Investment Income (NII) Yields, by Size of Fair Market Value of Total Assets, 1987-1989

Size of fair market value of total assets	Median NII yields (percentages)		
	1987	1988	1989
	(1)	(2)	(3)
<b>All nonoperating foundations.....</b>	<b>7.2</b>	<b>7.2</b>	<b>7.7</b>
<b>Small foundations</b>			
\$1 under \$100,000.....	6.4	6.6	6.8
\$100,000 under \$1,000,000.....	7.4	7.3	8.0
<b>Medium foundations</b>			
\$1,000,000 under \$10,000,000.....	8.1	7.6	8.0
\$10,000,000 under \$50,000,000.....	9.4	7.6	8.2
<b>Large foundations</b>			
\$50,000,000 under \$100,000,000.....	9.0	7.4	8.6
\$100,000,000 or more.....	8.9	7.3	8.1

NOTE: The NII yields equal net investment income divided by end-of-year fair market value of investment assets.

risk and benefit from professional investment management services. The returns on the pooled investments, which most likely will be greater than the returns currently realized by many foundations, will increase the asset values of participating foundations and ultimately help them to fund an increased level of charitable giving in both the present and the future.

### Income Yields

The "income yield" measures the realized investment income earned by a foundation against its assets. Figure G displays median net investment income yields for nonoperating foundations for the years 1987 to 1989. Only nonoperating foundations were analyzed since only they are subject to the charitable payout requirement, discussed below. Due to the nature of the data, the most appropriate way in which to calculate the net investment income yield, or the NII yield, is by dividing net investment income by the end-of-year fair market value of investment assets [18].

From 1987 to 1989 the median NII yield remained relatively constant, between 7 and 8 percent. As in the case of the rate of total return, the large foundations typically tend to earn slightly higher NII yields than the smaller foundations. For instance, for 1989, the smallest foundations earned a median NII yield of 6.8 percent, while the largest earned a median yield of 8.1 percent. The distribution of the NII yield data is positively skewed,

since the mean yields are higher than the medians for all of the foundation size groups for each of the years displayed. The smaller the size of the foundation, the greater the difference tends to be between the mean yield and the median yield. For most of the different size groups, median NII yields increased slightly from 1988 to 1989. Increases in revenues, particularly in capital gains from sales of assets, largely accounted for this increase.

### Rates of Total Return

Figure H shows median rates of total return on nonoperating foundation assets for the years 1987 to 1989 [19]. An examination of rates of return helps to show differences among the different sizes of foundations. Furthermore, a comparison with the charitable payout rates helps to further the understanding of foundations. The rate of total return is a measurement of the total capital appreciation of the endowment of a foundation. The rate of return formula used here measures the change in the value of the entire asset base with considerations for inflows and outflows of money [20]. The formula adjusts for inflation and measures the realized income from assets, investment and otherwise, as well as the unrealized appreciation or depreciation in the fair market value of assets.

After 1987, the year of the October stock market decline and unusually low rates of total return, foundations

**Figure H**

## Nonoperating Private Foundation Rates of Total Return on Assets, by Size of Fair Market Value of Total Assets, 1987-1989

Size of fair market value of total assets	Median rates of total return <sup>1</sup> (percentages)		
	1987	1988	1989
	(1)	(2)	(3)
<b>All nonoperating foundations.....</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Small foundations</b>			
\$1 under \$1,000,000.....	n.a.	n.a.	n.a.
<b>Medium foundations</b>			
\$1,000,000 under \$10,000,000.....	1.3	6.8	7.0
\$10,000,000 under \$50,000,000.....	0.9	7.9	10.6
<b>Large foundations</b>			
\$50,000,000 under \$100,000,000.....	1.1	8.3	11.6
\$100,000,000 or more.....	1.4	9.0	12.7

<sup>1</sup> The 1987 gross domestic product (GDP) implicit price deflator was used to adjust for inflation. The rates of return may vary slightly from previously published rates (for years prior to 1989) since the 1982 gross national product (GNP) implicit price deflator was used to adjust for inflation for prior years.

n.a. - Not available; see footnote 20 at the end of this article.

## Private Foundations and Charitable Trusts, 1989

realized increases in total asset and investment values, as evidenced by the strong rates of total return. For 1987, largely due to the stock market decline that lowered the end-of-year asset values, the median foundation realized a real rate of return that fell below the desired 5 percent needed to fulfill the payout requirement without a decline in asset value. For instance, for 1987 the largest founda-

**The largest proportions of foundation grants went for education, health, human services and the arts and humanities.**

tions realized only a 1.4 percent real return. For 1988, however, median returns increased dramatically, with the largest foundations realizing a return of 9.0 percent. Foundations continued to realize increasing returns for 1989. For example, the largest foundations realized a return of 12.7 percent. The rates of return

for the other asset-size groups ranged from 7.0 percent for those foundations holding from \$1 million to less than \$10 million in assets; to 10.6 percent for those holding from \$10 million to less than \$50 million; and to 11.6 percent for those holding from \$50 million to less than \$100 million.

As the asset holdings of foundations increase, so do the total returns generally realized by foundations. Since the total return figures account for inflation, it is apparent that foundations (at least those holding \$1 million or more in assets) realized a rate of total return for 1989 that enabled them to exceed the desired 5 percent for the charitable payout requirement. Here, too, the distribution of the rate of return data is positively skewed, since the mean returns are higher than the medians for all of the foundation size groups for each of the years studied. The notable increase in total rates of return from 1988 to 1989 is not surprising given the increasing value of assets during this time period.

### **The Charitable Distribution (or Payout) Requirement**

The following discussion of the charitable distribution requirement and the payout rate excludes operating foundations since they are not subject to the payout requirement. Therefore, all references to foundations in this section, and in the following sections, are to nonoperating foundations, unless otherwise indicated. For reasons of comparability, the operating foundations were also excluded from median net investment income yields and rates of total return, discussed previously.

Over 20 years ago, beginning with TRA69, private

nonoperating foundations were required to meet a charitable giving or "payout requirement." The Federal Government first began to grant tax-exempt status to charitable foundations in the early 1900's. Legislative changes and discussions prior to 1969 focused on the regulation of foundation activities. Not until 1969 did legislation provide guidelines for minimum foundation giving levels. The original payout requirement, which was based on the greater of (adjusted) net income or a fixed percentage of the fair market value of noncharitable-use assets, was designed to prevent potential abusive foundation activity and ensure that a minimum amount of tax-exempt income and assets was charitably distributed [21]. Later, the Economic Recovery Tax Act of 1981 (ERTA) modified the payout requirement by basing the required amount only on assets and not on income. After the implementation of this legislation, viewed as less burdensome by the foundation community, it was hoped that long-run foundation charitable distributions would increase since foundations would be afforded a greater opportunity to increase the value of their endowments and, in the process, increase their giving power. Overall, the data indicate that, since ERTA, smaller foundations, in general, do not seem to have altered their giving patterns significantly [22]. The large foundations, however, seem to have benefited from the 1981 legislation, as they realized the largest percentage increases in both assets and distributions since 1982. The following analyses examine the framework of the payout requirement and explore the payout trends of the entire nonoperating foundation population.

Under the guidelines of ERTA, each year nonoperating foundations must calculate a "distributable amount," which is the minimum amount that the organizations must distribute for charitable purposes by the end of the next full reporting year in order to avoid a penalty tax on undistributed charitable dollars. The distributable amount, or required payout amount, equals 5 percent of the fair market value of net investment assets (called the "minimum investment return"), plus or minus certain adjustments, either allowed or required (see distributable (payout) amount, net investment assets, minimum investment return, and net adjustments to distributable amount in the Explanation of Selected Terms) [23].

### **Qualifying Distributions**

To fulfill the charitable payout requirement, foundations can apply "qualifying distributions" from the current operating year, as well as any carryovers of qualifying distributions (amounts paid in excess of the minimum required amount) from the 5 previous years [24]. Nonoperating foundations disbursed a total of \$8.0 billion

## Private Foundations and Charitable Trusts, 1989

in contributions and grants for 1989. These contributions and grants comprised 91 percent of qualifying distributions. According to the Foundation Center's *Foundation Giving*, the largest proportions of total foundation grants (in dollar amounts) went to the areas of education, health, human services, and the arts and humanities [25]. In addition, foundations either disbursed or "set aside" (for future distribution) \$0.8 billion in support of charitable activities. The money in support of charitable activities that foundations could treat as qualifying distributions included the following: operating and administrative expenses (e.g., amounts paid to operate a museum or nursing home); amounts paid to acquire charitable-use assets (e.g., equipment, supplies or buildings); set-asides; and program-related investments (e.g., loans made to public charities at below market or zero rates of interest.)

As mentioned previously, nonoperating foundations fulfill their exempt purpose in an indirect manner, primarily by making grants to other charitable organizations, while operating foundations generally expend their income for direct, active involvement in charitable activities and operations. For 1989, grants distributed by operating foundations comprised only 8 percent of their total qualifying distributions. Operating foundations are not subject to the same minimum payout requirement, but they must still expend a minimum amount each year on direct charitable support, usually by actively conducting charitable programs. These expenditures count as "qualifying distributions" in meeting the operating foundation requirements. Although operating and nonoperating foundations typically operate in accordance with their respective distribution requirements, some nonoperating foundations are actively involved in charitable programs, and some operating foundations make grants.

Of the approximate 36,000 nonoperating foundations, 94 percent were required to make a distribution for 1989. Collectively, these foundations paid out \$8.8 billion in qualifying distributions against a payout requirement (or distributable amount) of \$6.0 billion. The largest foundations paid out \$3.5 billion in qualifying distributions against a payout requirement of \$3.3 billion. The small foundations distributed a larger amount in excess of the payout requirement when compared to the other size groups: \$1.0 billion against a required distributable amount of less than \$0.3 billion. Typically, the smaller foundations tend to distribute much more than the larger foundations in relation to their required amount. For 1989, approximately 38 percent of the small foundations, but only 5 percent of the largest foundations, distributed twice the required amount. Moreover, 17 percent of the small foundations distributed ten times the required amount.

Nearly four-fifths of foundations having a payout requirement either met or exceeded the required amount for 1989 in that same year. The organizations that did not, had until the end of their 1990 reporting year to satisfy the requirement. (After applying current-year qualifying distributions and any carryovers from previous years, the amount by which foundations fell short of meeting the requirement is called "undistributed income.") While less than 20 percent of the smallest foundations did not meet the 1989 requirement during 1989, thereby amassing "undistributed income," over 50 percent of the largest foundations chose to wait until the 1990 Reporting Year to distribute their required amount for 1989. Given that the annual payout amount is not calculated until the end of an organization's reporting period and that it is based on the current period's monthly average of investment assets, many foundations typically choose to take advantage of the 1-year tax- and penalty-free "grace period" for making required distributions. This lag time gives them an opportunity to consider their investment returns, payout rates and contributions received, among other factors, when preparing their grantmaking budgets for the following year or years.

### Payout Rates

Figure I shows median foundation payout rates for 1987 to 1989. To calculate the payout rate, the amount of

Figure I

### Nonoperating Private Foundation Payout Rates, by Size of Fair Market Value of Total Assets, 1987-1989

Size of fair market value of total assets	Median payout rates (percentages)		
	1987 (1)	1988 (2)	1989 (3)
<b>All nonoperating foundations.....</b>	<b>7.0</b>	<b>7.2</b>	<b>7.1</b>
<b>Small foundations</b>			
\$1 under \$100,000.....	9.6	10.7	10.9
\$100,000 under \$1,000,000.....	6.7	6.6	6.8
<b>Medium foundations</b>			
\$1,000,000 under \$10,000,000.....	5.7	5.9	5.8
\$10,000,000 under \$50,000,000.....	5.4	5.5	5.4
<b>Large foundations</b>			
\$50,000,000 under \$100,000,000.....	5.2	5.3	5.4
\$100,000,000 or more.....	5.0	5.3	5.0

NOTE: Payout rates equal adjusted qualifying distributions divided by the monthly average of net investment (noncharitable-use) assets.



## Private Foundations and Charitable Trusts, 1989

(adjusted) qualifying distributions was divided by the amount of the monthly average of net investment (or noncharitable-use) assets [26]. From 1987 to 1989, the median payout rate for all nonoperating foundations remained relatively constant. The median foundation during these 3 years distributed charitable dollars that equaled approximately 7 percent of investment assets. For 1989, as with other years, the smallest foundations paid out charitable dollars at the highest rate, 10.9 percent, compared to 5.0 percent for the largest foundations. The mean payout rates for foundations of all sizes were higher compared to the median rates. In terms of the growth of qualifying distributions for the different size groups, the small foundations increased their qualifying charitable distributions by 9 percent over 1988; the largest foundations, by 13 percent.

Payout rates for the large foundations were very close to the required rate of 5 percent, in contrast to those of the smaller foundations, which were much higher than the required rate. This is not unexpected due to differences in the grantmaking and investing strategies of the different sizes of foundations. Small organizations seem to focus more on distributing charitable dollars currently, rather than on long-term endowment growth. The larger foundations, generally, may reinvest a greater portion of their return on investments, possibly in order to ensure endowment growth for future charitable giving. A further discussion of the different investing goals and distribution patterns of large and small foundations appears in Investing Behavior and Asset Growth, Distribution Goals and Decision-making.

### Asset Growth, Distribution Goals and Decision-making

During the early-to-mid-1980's, foundations benefited from favorable stock market conditions that, coupled with low inflation, allowed many of them to realize rates of return and income yields high enough to easily meet the 5-percent charitable payout requirement. This favorable environment, especially from 1982 to 1986, enabled many foundations to increase their charitable grants and distributions and at the same time expand the size of their endowments. As foundation assets increased, so did the required distributable amounts, thereby leading to increased grants paid out by many foundations. For 1982 through 1986, the large- and medium-size foundations realized asset growth at a rate that exceeded the increases in their qualifying (charitable) distributions. The smallest foundations, on the other hand, paid out charitable distributions at a faster rate than the rate of growth in their total assets during these years. From 1986 to 1989, the

small foundations did not increase the real value of their charitable distributions. The largest foundations, in contrast, actually increased the real value of qualifying charitable distributions by 28 percent during these years. The payout rates of these foundations are typically much lower than those of the smaller foundations, but the rates of increase in the amount of grants that they distributed remained relatively constant. These patterns may indicate that large foundations better adapt to fluctuating investment returns by maintaining consistent levels of giving and by concentrating on long-run asset growth.

Despite the slower rate of asset growth for 1987 and significant declines in revenue for 1987 and 1988, charitable distributions by the largest foundations increased much more than any other size group from 1986 to 1989. The 28-percent real increase in distributions was largely supported by a 34-percent rise in the value of total assets. Conversely, the small foundations, from 1986 to 1989, actually realized no real increase in the value of charitable distributions and only a 6-percent rise in the value of their assets. During these years all of the foundation size groups showed aggregate declines in real revenue. It seems that the decreases in revenue may have influenced the grantmaking behavior of the small foundations much more than that of the large foundations. Figure J displays constant dollar changes in charitable distributions, total assets and total revenues for 1986 to 1989 for the different sizes of foundations.

During the 1980's, the significant asset growth of the largest foundations allowed them to increase distributions through 1989 at a rate faster than any other size group.

Figure J

### Nonoperating Private Foundations: Increases in Charitable Distributions, Assets and Revenues, by Size of Fair Market Value of Total Assets, 1986-1989

Size of fair market value of total assets	Percentage increase, 1986-1989 <sup>1</sup>		
	Charitable distributions	Total assets	Total revenue
	(1)	(2)	(3)
All nonoperating foundations.....	30.0	22.3	-11.1
\$1 under \$1,000,000.....	0.0	5.9	-23.0
\$1,000,000 under \$50,000,000.....	14.8	10.2	-10.6
\$50,000,000 or more.....	28.4	33.7	-10.0

<sup>1</sup> Percentage increases are calculated using constant dollars; the 1987 Gross Domestic Product (GDP) implicit price deflator was used to adjust for inflation.

NOTE: Charitable distributions represent "qualifying distributions" and total assets represent "fair market value of total assets," both from Form 990-PF.

## Private Foundations and Charitable Trusts, 1989

These foundations typically make qualifying distributions at a rate very near the 5-percent requirement. During the entire 1982 to 1989 period, the endowments of the larger foundations increased significantly, thereby leading to higher required payout amounts, and, as a result, increased distributions. A growing endowment will help to fund charitable giving at the same or at an increased value in the future. The assets of the largest foundations grew faster than the growth in the number of these foundations from 1982 to 1989. In contrast, during the same period, the number of small foundations actually grew faster than the amount of total assets that they, as a group, held. Smaller foundations typically realize lower income yields and lower returns, but tend to pay out a larger percentage of their assets compared to the larger foundations. However, the greater increases in charitable distributions by the larger foundations underscore the importance of good investment management and a growing asset base as a means by which to fund charitable giving, both currently and in the future.

Recent foundation research (aside from Statistics of Income), through the use of multiple-regression analyses, has attempted to examine the effects of various factors on charitable giving and the payout rate. Total returns and income yields, contributions received and previous year payout rates, along with many other factors, may impact the charitable payout practices of foundations. Questions arise as to how patterns differ with the different types and sizes of foundations. Such issues will not be examined within the scope of this article, but are important questions to be examined within the area of the nonprofit sector, which includes private foundations.

### Section 4947(a)(1) Charitable Trusts

Charitable trusts are defined in Code section 4947(a)(1) as organizations which have exclusively charitable interests and which can receive tax-deductible charitable contributions. Charitable trusts that are not publicly supported are subject to the same requirements as foundations, including the excise tax provisions and the charitable payout requirement. Like foundations, they are required to file a Form 990-PF. Unlike foundations, charitable trusts are not exempt from Federal income tax and must pay an annual tax on income (usually from investments) that is not distributed for charitable purposes. Trusts must report such income and tax on Form 1041, *U.S. Fiduciary Income Tax Return*. Other section 4947(a)(1) charitable trusts file Form 990. The latter are organizations which typically operate in connection with, and provide support to, one or more public charities. Split-interest trusts, which have both charitable and non-charitable beneficia-

ries, file Form 5227. The 4947(a)(1) charitable trusts may operate somewhat differently from foundations. Unlike foundations, most of these trusts were originally formed as 4947(a)(2) split-interest trusts that at one time had one or more noncharitable beneficiaries.

Over 2,600 section 4947(a)(1) trusts filed Form 990-PF for 1989. Of the total, over 98 percent were considered nonoperating trusts. The remainder were classified as operating trusts. Over 2,400 trusts, or 93 percent, made charitable grants for 1989. One-fifth of the trusts, those holding \$1 million or more in assets, held over four-fifths of the total assets. However, the trusts, on average, are much smaller than foundations. Furthermore, there exists much less variation in terms of asset size within the trust population. For 1989, there were only 38 trusts holding \$10 million or more in assets, or slightly more than 1 percent of the trust population. For 1989, trusts held approximately \$2.9 billion in total assets and realized \$404.6 million in total revenues, representing slightly less than 2 percent of the totals reported by Form 990-PF filers in terms of both assets and revenues. They also distributed a total of \$143.7 million in contributions and grants for 1989 and paid out charitable dollars at a slightly lower rate than private foundations. On a book value basis, total assets increased by approximately half the rate of increase of private foundation assets from 1979 to 1989. Part of this difference results from the fact that more foundations, compared to trusts, have formed since 1979.

### Sources of Charitable Trust Revenue and Assets

Compared to foundations, the amount of contributions received by the 4947(a)(1) trusts was much less significant as a source of revenue.

Instead, trusts relied much more on investment income sources, such as dividends and net gains from sales of assets. Only 13 percent of the trusts actually received contributions for 1989. Figure K shows the sources of charitable trust revenue for 1989. Trusts reported over 70 percent of revenue as investment income, including net gains from sales

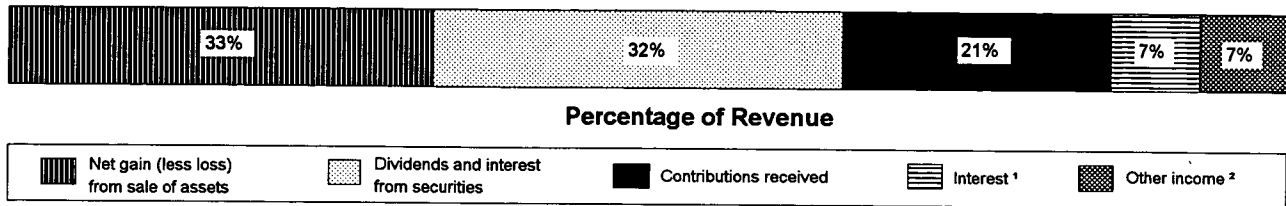
of assets, dividends and interest from securities, and interest on savings and temporary cash investments. Only 21 percent of revenue came from contributions. In terms of revenue sources, less disparity existed between the different sizes of trusts than existed between the different

**Over 98 percent of the charitable trusts were "nonoperating" trusts; 93 percent of the total made grants for 1989.**

# Private Foundations and Charitable Trusts, 1989

**Figure K**

## Sources of Charitable Trust Revenue, 1989



<sup>1</sup> Represents "Interest on savings and temporary cash investments," as reported on Form 990-PF.  
<sup>2</sup> Includes, for example, gross rents, gross sales minus returns and allowances, imputed interest on deferred payments, and program-related investment income.

sizes of foundations. Generally, the trusts behaved most like the large foundations.

The composition of assets for charitable trusts was similar to the composition held by the medium- and large-size foundations. Of the \$2.9 billion in total assets for 1989, about \$2.2 billion, or 77 percent, was held in the form of investments in securities. The remainder was primarily held as savings and temporary cash investments, 8 percent; and "other" investments (including, for instance, land, buildings and equipment; and mortgage loans), 8 percent. Figure L depicts the composition of total charitable trust assets for 1989. Unlike foundations, there was little difference among the different size groups.

### Charitable Trust Income Yields

As in the case of foundations, the median net investment income (NII) yields were calculated only for nonoperating trusts. Figure M displays the median NII yields for

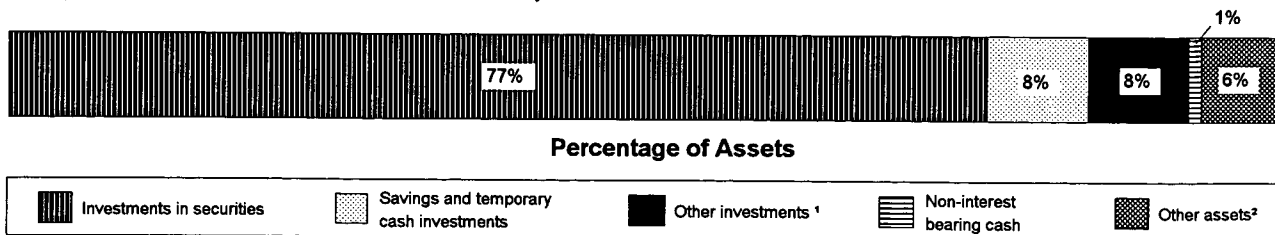
charitable trusts for 1989. The NII yields differed little among the different size groups. Trusts realized a somewhat higher proportion or yield of income on their investments than did foundations, 8.9 percent compared to 7.7 percent. The small trusts, in particular those holding less than \$1 million in assets, performed notably better than foundations of the same size. Rates of total return on assets are currently unavailable for trusts since data are not available for the 2 consecutive years needed to perform the necessary calculations. However, when the 1990 statistics are available, this will become possible.

### Charitable Trust Distributions and Payout Rates

As already stated, the 4947(a)(1) trusts disbursed a total of \$143.7 million in contributions, gifts and grants for 1989. These contributions and grants comprised 92 percent of qualifying distributions. The nonoperating

**Figure L**

## Composition of Charitable Trust Assets, 1989



<sup>1</sup> Sum of "Investments in land, buildings and equipment (less accumulated depreciation)," "Investments in mortgage loans" and "Other investments," as reported on Form 990-PF. Includes items such as advances; certificates of investment; miscellaneous loan income; and investments in art, coins, gold, gems and paintings.

<sup>2</sup> Includes items such as deferred income, interest-free or low-interest loans made for charitable purposes, and escrow deposits.

**Figure M**

**Nonoperating Charitable Trust Net Investment Income (NII) Yields, by Size of Fair Market Value of Total Assets, 1989**

Size of fair market value of total assets	Median NII yields (percentages)
<b>All nonoperating trusts.....</b>	<b>8.9</b>
<b>Small trusts</b>	
\$1 under \$100,000.....	8.5
\$100,000 under \$1,000,000.....	9.3
<b>Medium and large trusts</b>	
\$1,000,000 under \$10,000,000.....	8.2
\$10,000,000 or more.....	8.2

NOTE: The NII yields equal net investment income divided by end-of-year fair market value of investment assets.

trusts, which comprised the vast majority of the trust population, distributed \$142.4 million of the total amount of contributions and grants. For 1989, nonoperating trusts paid out \$153.1 million in qualifying distributions against a required distributable amount of \$121.4 million. Of all of the trusts, 93 percent made grants for 1989. As in the case of foundations, the discussion of the distribution requirement and payout rates excludes operating trusts since they are not subject to the same payout requirements as nonoperating trusts.

The large trusts, those holding \$10 million or more in assets, paid out qualifying distributions that exceeded the required payout amount by 27 percent. Conversely, the small trusts, those holding less than \$1 million in assets, paid out 56 percent more qualifying distributions than was required. The medium-size trusts, those holding from \$1 million to less than \$10 million in assets, distributed only 8 percent more than required. Like the small foundations, nearly four-fifths of the trusts having a payout requirement met or exceeded the required amount for 1989 in that same year. The remaining one-fifth did not meet the 1989 requirement during that year, thereby amassing "undistributed income." Unlike foundations, no great disparity existed among the different size groups of trusts in terms of undistributed income.

Figure N presents median payout rates for charitable trusts for 1989. The median payout rate for all trusts equaled 5.9 percent of assets for 1989, compared to 7.1 percent for foundations. Like foundations, the mean payout rates were notably higher compared to the median rates. Unlike foundations, the trust payout rates across size categories were similar. The smallest trusts, those holding less than \$100,000 in assets, had lower payout

rates than foundations of the same size, 6.4 percent compared to 10.9 percent. In terms of the different asset-size categories, this represented the most meaningful difference in payout rates between foundations and trusts.

Less of a difference in NII yields and payout rates across asset size groups existed for trusts than for foundations. Due to their relatively large holdings of investments in securities and their greater reliance on investment income, it seems that small trusts may manage their assets in a manner more similar to their larger counterparts than to foundations of the same size. Trusts earned slightly higher NII yields and paid out charitable dollars at slightly lower rates than foundations. Data for 1990 on charitable trusts will no doubt provide additional insight into their behavior and about the relative growth of their assets, revenues and charitable distributions.

**Figure N**

**Nonoperating Charitable Trust Payout Rates, by Size of Fair Market Value of Total Assets, 1989**

Size of fair market value of total assets	Median payout rates (percentages)
<b>All nonoperating trusts.....</b>	<b>5.9</b>
<b>Small trusts</b>	
\$1 under \$100,000.....	6.4
\$100,000 under \$1,000,000.....	5.9
<b>Medium and large trusts</b>	
\$1,000,000 under \$10,000,000.....	5.5
\$10,000,000 or more.....	5.8

NOTE: Payout rates equal adjusted qualifying distributions divided by the monthly average of net investment (noncharitable-use) assets.

**Summary**

**Private Foundations**

For 1989, private foundations rebounded from revenue losses during the 2 previous years by realizing total revenues that increased by 22 percent over 1988, to \$19.9 billion. The three largest revenue components, contributions received, net gains from sales of assets, and dividends and interest from securities, all increased notably over 1988, largely explaining the growth in total revenues. Contributions received, net gains and dividends, increased by 32 percent, 30 percent and 19 percent, respectively. As an indication of this growth, net investment income (NII) yields increased somewhat for 1989. The total median NII yield increased from 7.2 percent for 1988 to 7.7 percent for 1989, with larger foundations

## Private Foundations and Charitable Trusts, 1989

earning higher yields than smaller foundations. Trends continue to show that as the size of a foundation increases, the proportion of revenue from contributions declines, while the proportion from investment income rises.

Supported by a strong, bullish stock market for 1989, foundation assets increased along with revenues. End-of-year total assets increased by the highest annual rate of the decade, 18 percent, to \$151.7 billion. The growth of investments in securities, 22 percent, explains much of the increase. Investments in securities represented 80 percent of total assets. As is typical, the largest foundations, those holding \$100 million or more in fair market value of total assets, held the largest proportion of assets as investments in securities. This group also realized the greatest increases in total assets for 1989. As an indication of the strong year, foundations realized increased rates of total return on assets compared to 1988. For instance, the largest foundations realized a median rate of total return that increased from 9.0 percent for 1988 to 12.7 percent for 1989.

While foundation revenues and assets increased notably for 1989, grant payments continued to grow at a relatively constant rate, 10 percent. The amount of contributions, gifts and grants distributed by foundations for 1989 equaled \$8.1 billion. Despite fluctuations in both assets and revenues over the 1986 to 1989 time period, foundations maintained relatively consistent giving patterns and relatively consistent charitable payout rates. For 1989, nonoperating foundations reported \$8.8 billion in qualifying charitable distributions against a required payout amount of \$6.0 billion. More foundations continued to claim the 1-percent excise tax reduction, 35 percent more than for 1988, indicating that many foundations increased the rate at which they distributed charitable dollars.

The changes in revenue, asset and charitable distribution patterns for 1989 help to further confirm the variation that exists in the investment and distribution behavior of the various sizes of foundations. From 1986 to 1989, the small foundations realized no increase in the real value of their charitable distributions and showed only a very modest 6-percent rise in the value of their assets. The largest foundations, in contrast, which typically rely more heavily on the appreciation of their endowments in order to fund charitable distributions, increased their charitable distributions over the entire 1986 to 1989 period by more than any other size group. Their 28-percent real increase in distributions was largely supported by a 34-percent rise in total assets. As foundations increase in size, the rate of growth in assets and distributions tends to increase as well. During the 1986 to 1989 time period, the revenues

of all the different size groups declined. Despite the declining revenues, the largest foundations successfully distributed charitable dollars at relatively consistent rates of growth, largely because they tend to rely heavily on the growth of their endowments. A growing endowment helps to fund giving at an increased rate in the future. Small foundations, in contrast, tend to rely less on the appreciation of their endowments, and more on revenue (including contributions received and investment income) as a means to fund charitable giving.

### **Section 4947(a)(1) Charitable Trusts**

Reporting Year 1989 represented the first year since 1979 that Statistics of Income collected data on the section 4947(a)(1) charitable trusts that are treated as private foundations. These organizations are subject to the same requirements as foundations and operate in a relatively similar manner. For 1989, over 2,600 of these trusts filed Form 990-PF. These trusts represented only 6 percent of all Form 990-PF filers. For 1989, the 4947(a)(1) charitable trusts, as a group, held \$2.9 billion in total assets, realized \$404.6 million in total revenues, and distributed \$143.7 million in charitable contributions, gifts and grants.

Much less disparity existed among the different size groups of trusts, compared to foundations, in terms of the manner in which they operated. Trusts received proportionately less contributions and relied much more on investment income, such as dividends and net gains from sales of assets. Like foundations, trusts held the majority of their assets, 77 percent, as investments in securities. While trusts actually realized slightly higher net investment income (NII) yields than foundations, they distributed charitable dollars at a somewhat lower rate.

### **Data Sources and Limitations**

The statistics in this article are based on a sample of reporting year 1989 Forms 990-PF that were filed with the IRS. IRS required organizations having accounting periods beginning in 1989 (and therefore ending, in general, in December 1989 through November 1990) to file a 1989 Form 990-PF. Some part-year returns were included in the samples for organizations that changed their accounting periods, or filed initial or final returns. Slightly more than 60 percent of the foundations in the sample had accounting periods covering Calendar Year 1989 or, in some cases, part-year periods that ended in December 1989. For charitable trusts, approximately 52 percent filed calendar year returns. The 11 noncalendar-year accounting periods, when grouped together, included a period of time that ranged from February of 1989 to

## Private Foundations and Charitable Trusts, 1989

November of 1990 (and may also have included some part-year periods). While the majority of the 1989 data are for Calendar Year 1989, approximately 40 percent of the data (for foundations) and 48 percent (for charitable trusts) were reported for periods that go beyond the end of Calendar Year 1989. In total, however, most of the financial activity is associated with Calendar Year 1989.

The 1989 sample was stratified based on both the size of book value of total assets and the type of organization [27]. The type of organization was separated into private foundations and 4947(a)(1) charitable trusts. The foundations were selected at rates that ranged from 5.3 percent (for the more numerous but very small asset-size returns) to 100 percent (for the relatively few returns with large amounts of assets). The charitable trusts were selected at rates that ranged from 29 to 100 percent. The 5,559 returns in the 1989 sample (4,204 originally selected as foundations and 1,355 selected as trusts) were drawn from an estimated population of 38,773 foundations and 2,634 trusts.

The 1989 study was designed to provide reliable estimates of total assets and total revenue based on a sample of returns. To accomplish this, 100 percent of foundation returns with assets (book value) of \$10 million or more and 100 percent of charitable trust returns with assets of \$1 million or more were included in the sample, since these were the returns that, dollar-wise, accounted for the majority of activity. The remaining foundation population was randomly selected for the sample at various rates depending on asset size: 5.3 percent for returns with assets less than \$100,000; 6.1 percent for returns with assets of \$100,000 to less than \$1 million; and 15.3 percent for returns with assets of \$1 million to less than \$10 million. Likewise, the remaining trust population was randomly selected at the following rates: 29.4 percent for returns with assets less than \$100,000; and 45.5 percent for returns with assets of \$100,000 to less than \$1 million. Efforts were made to verify that organizations selected as trusts were, in fact, trusts; and vice versa. The relatively small number of foundations that were selected for the sample as trusts were ultimately re-classified as foundations. Adjustments to the final weights were made to account for these re-classifications. These same methods were used for the trusts that were sampled as foundations. For foundations, 31 percent of the sample returns showed \$10 million or more in assets and accounted for 80 percent of the estimated (book value of) total assets. For the 4947(a)(1) charitable trusts, 36 percent of the sample returns showed \$1 million or more in assets and accounted for 82 percent of the estimated (book value of) total assets.

The population from which the 1989 sample was drawn consisted of Form 990-PF records posted to the IRS Business Master File during 1989 and 1990. Some of the records designated were for organizations that were deemed inactive or terminated. Inactive and terminated organizations are not reflected in the estimates. For the small number of large foundations for which the return for the 1989 Reporting Year was not yet filed or was otherwise unavailable for inclusion in the study, data were estimated using other returns having similar characteristics. For the unavailable trust returns, which were relatively smaller in size than those for foundations, prior-year data were in most instances used as a substitute. The data presented were obtained from returns as originally filed. In most cases, changes made to the original return as a result of administrative processing, audit procedures or a taxpayer amendment were not incorporated into the data base. A discussion of the reliability of estimates based on samples, methods for evaluating both the magnitude of sampling and non-sampling error, and the precision of sample estimates can be found in the general Appendix to this report.

### Explanation of Selected Terms

The following explanations describe terms as they applied to both private foundations and the 4947(a)(1) charitable trusts for 1989. Unless otherwise indicated, all references to foundations also apply to the trusts.

*Adjusted Net Income.*—In general, this was the amount by which a private foundation's gross income exceeded the expenses associated with earning the income. Included were all amounts derived from, or connected with, property held by the foundation, such as net short-term capital gain, ordinary investment income (dividends, interest, rents and royalties) and income from amounts set aside for future charitable use, from all charitable functions, or from unrelated trade or business activities. Excluded were contributions received and long-term capital gains, although long-term capital losses could be reported as "other expenses." The adjusted net income amount was used to determine whether an organization qualified as an operating foundation. This item was reported on Form 990-PF, Part I, line 27c, column (c).

*Assets Zero or Unreported.*—Included in this asset size category were: (1) final returns of liquidating or dissolving foundations which had disposed of all assets; and (2) returns of foundations not reporting end-of-year assets that had apparently distributed (or disposed of) all assets and income received during the year. A dissolving foundation usually passes its assets to another private foundation or to another nonprofit organization.

## Private Foundations and Charitable Trusts, 1989

**Capital Gain Net Income.**—This was the amount of net gains from sales or disposition of property used for investment purposes (property used for exempt purposes was excluded). Capital losses from the sale or other disposition of property could be subtracted from capital gains only to the extent of such gains. Capital gain net income was used to compute “net investment income” (on which an excise tax generally had to be paid).

**Charitable Trust.**—This type of organization, also referred to as a nonexempt charitable trust, is defined in Internal Revenue Code section 4947(a)(1) as an organization (1) that is not considered tax-exempt under section 501(a); (2) which has exclusively charitable interests; and (3) which can receive tax-deductible charitable contributions from donors. Nonexempt charitable trusts that are not publicly supported are subject to the excise tax provisions of private foundations and are required to file a Form 990-PF. (Publicly supported nonexempt charitable trusts are required to file Form 990. Nonexempt charitable trusts must pay an annual tax on income [usually from investments] that is not distributed for charitable purposes, and they must report such income and tax on Form 1041, *U.S. Fiduciary Income Tax Return*.)

**Disbursements for Charitable Purposes.**—These deductions comprised the largest component of qualifying distributions and were represented by grants paid, operating expenses and necessary and reasonable administrative expenditures for activities that were directly related to the tax-exempt purposes of the foundation. These amounts were determined solely on the cash receipts and disbursements method of accounting, as required by law and regulations. This item was reported on Form 990-PF, Part I, line 26, column (d).

**Disqualified Persons.**—With respect to engaging in prohibited transactions with a private foundation, such as “self-dealing,” the following were considered disqualified persons: (1) all substantial contributors to the foundation (generally, those who contributed an amount over \$5,000 which was more than 2 percent of total contributions received by the foundation); (2) foundation officers, directors, trustees or managers; (3) an owner of more than a 20-percent interest (voting power, profits interest or beneficial interest) in an organization which was a substantial contributor to the foundation; (4) a member of the family of any individual described above (including spouse; ancestors; children; grandchildren; great-grandchildren; and spouses of children, grandchildren and great-grandchildren; but not brothers or sisters); (5) organizations in which persons described above held more than a 35-percent interest; (6) another private foundation, for purposes of the tax on excess business holdings, which

was effectively controlled by a person or persons in control of the foundation in question; and (7) a government official, for purposes of the tax on “self-dealing.”

**Distributable (Payout) Amount.**—This was the minimum payout amount which was required to be distributed by the end of the year following the year for which the return was filed in order to avoid an excise tax for failure to distribute income currently. The distributable amount was computed as 5 percent of net investment assets, called the “minimum investment return,” minus taxes on both net investment income and unrelated business income, plus or minus other adjustments, either allowed or required (see net adjustments to distributable amount below). This item was reported on Form 990-PF, Part X, line 7.

**Excess Distributions Carryover.**—This was the amount distributed, after fulfilling the charitable payout requirement, that equaled the excess of qualifying distributions over the distributable amount. Amounts from the current year could be carried forward to be applied to the distributable amount, if necessary, for the 5 following years. This item was reported on Form 990-PF, Part XIV, line 9.

**Excess Grant Administrative Expenses.**—This was the amount of grantmaking administrative expenses, incurred by a foundation in the charitable grantmaking process, that exceeded the amount which could be applied to either the charitable payout requirement (imposed on nonoperating foundations) or the income test (imposed on operating foundations). The Deficit Reduction Act of 1984 required that only the portion of grant administrative expenses incurred by a foundation that did not exceed 0.65 percent of a 3-year average of net investment assets could be treated as qualifying distributions. Grant administrative expenses in excess of the 0.65 percent calculation could not be treated as qualifying distributions. This temporary limitation on grantmaking expenses expired on December 31, 1990. Beginning with the 1991 Reporting Year, foundations were no longer subject to this requirement. This item was reported on Form 990-PF, Part XIII, line 5.

**Inventories.**—The value of materials, goods and supplies purchased or manufactured by the organization and held for sale or use in some future period. This item was reported on Form 990-PF, Part II, line 8, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Land, Buildings and Equipment, Charitable-use.**—The book value or fair market value (less accumulated depreciation) of all land, buildings and equipment not held for investment purposes and used by the organization in conducting its charitable activities. This item was reported

## Private Foundations and Charitable Trusts, 1989

on Form 990-PF, Part II, line 14, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Land, Buildings and Equipment, Investment-use.**—The book value or fair market value (less accumulated depreciation) of all land, buildings and equipment held for investment purposes, such as rental properties. This item was reported on Form 990-PF, Part II, line 11, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Minimum Investment Return.**—This was the aggregate fair market value of assets not used for charitable purposes, less both the indebtedness incurred to acquire them and cash held for charitable activities, multiplied by 5 percent. The minimum investment return was used as the base for calculating the “distributable amount.” This item was reported on Form 990-PF, Part IX, line 6.

**Net Adjustments to Distributable Amount.**—Adjustments that increased the “distributable amount” consisted of increases attributable to the income portion (as distinct from the principal portion) of distributions from split-interest trusts on amounts placed in trust after May 26, 1969. (A split-interest trust is a trust which is not exempt from tax; not all of whose interests are devoted to charitable, religious, educational and like purposes; but which has amounts in trust for which a charitable contribution deduction was allowed.) Recoveries of amounts previously treated as qualifying distributions also had to be added back to the distributable amount.

Adjustments that decreased the distributable amount were the result of income required to be accumulated as part of an organization’s governing instrument. These adjustments were allowed only for foundations or trusts organized before May 27, 1969, whose governing instrument continued to require the accumulation, since State Courts would not allow the organization to change its governing instrument. These items were reported on Form 990-PF, Part X, lines 4a, 4b, and 6.

**Net Gain (or Loss) from Sales of Assets.**—Included was profit or loss from sales of items such as securities, land, buildings or equipment. Gain or loss reflected the amount shown on the books of the foundation and included any amount from the sale of property used for either investment or tax-exempt purposes. Most of the gain or loss was from sales of stocks and bonds. Profit or loss from the sale of inventory items was included in gross profit (loss) from business activities. This item was reported on Form 990-PF, Part I, line 6, column (a).

**Net Investment Assets (Noncharitable-use Assets).**—For purposes of calculating “minimum investment return,” only the average, rather than end-of-year, fair market

value of assets that were not used or held for use for tax-exempt purposes, entered into the computation. An asset was not used directly in carrying out the foundation’s exempt purpose if it was not used in carrying out a charitable, educational or other similar function which gave rise to the exempt status of the foundation. Examples include the fair market value of securities and rental property owned by the foundation for investment purposes. This item was reported on Form 990-PF, Part IX, line 5.

**Net Investment Income.**—This was the amount by which the sum of gross investment income plus capital gain net income exceeded allowable deductions. Included in investment income were interest, dividends, rents, payments with respect to securities loans and royalties. Excluded were tax-exempt interest on governmental obligations and any investment income derived from unrelated trade or business activities that were subject to the unrelated business income tax reported on Form 990-T, *Exempt Organization Business Income Tax Return*. This item was reported on Form 990-PF, Part I, line 27b, column (b).

**Net Short-term Capital Gain.**—This was the amount of net gains from sale or disposition of property (used for either investment or charitable purposes) that was held not more than 12 months. Short-term capital losses from the sale or disposition of property could be subtracted from short-term capital gains only to the extent of such gains. Net short-term capital gain, which only operating foundations were required to compute, was used to calculate “adjusted net income.”

**Nonoperating Foundations (and Section 4947(a)(1) Charitable Trusts).**—These were organizations that generally carried on their charitable activities in an indirect manner by making grants to other organizations that were directly engaged in charitable activities, in contrast to those (operating foundations) engaged in charitable activities themselves. However, some nonoperating foundations were actively involved in charitable programs, in addition to making grants. Nonoperating foundations were subject to a penalty tax (and possible additional penalties) for failure to distribute an annual minimum amount for charitable purposes within a required time period.

**Operating Foundations (and Section 4947(a)(1) Charitable Trusts).**—These organizations generally expended their income for direct, active involvement in a tax-exempt activity, such as operating a library or museum, or conducting scientific research. Operating foundations were excepted from the income distribution requirement and related penalty taxes that were applicable to



## Private Foundations and Charitable Trusts, 1989

nonoperating foundations. To qualify as an operating foundation for a particular taxable year, a private foundation had to spend at least 85 percent of the lesser of its adjusted net income or minimum investment return on the direct, active conduct of tax-exempt, charitable activities (as opposed to the payout of grants in support of such programs.)

In addition to satisfying the aforementioned "income test," operating foundations must also satisfy one of three other tests termed the "assets test," the "endowment test," and the "support test." Generally, the assets test was met if 65 percent or more of the foundation's assets were used directly for the active conduct of charitable activities. The endowment test was met if the foundation normally made distributions for the active conduct of charitable activities in an amount not less than two-thirds of its "minimum investment return." The support test was met if substantially all of its support (other than from gross investment income) was normally received from the public or from five or more qualifying exempt organizations, and (a) no more than 25 percent of its support (other than from gross investment income) was normally received from any one such qualifying exempt organization; and (b) no more than half of its support was normally received from gross investment income.

Distributions made by a private nonoperating foundation to an operating foundation qualified toward meeting the nonoperating foundation's distribution requirement. (Distributions made by one nonoperating foundation to another were subject to a number of conditions and restrictions requiring a "pass-through" of the distribution, whereby the donor foundation received credit for a qualifying distribution but the donee foundation did not.) Additionally, contributions to operating foundations were deductible on individuals' income tax returns, up to 50 percent of their "adjusted gross income" (as opposed to 30 percent for contributions to nonoperating foundations).

*Other Assets.*—Assets reported as "other" included (1) those assets not allocable to a specific asset item on the Form 990-PF balance sheet or not included elsewhere on the return; and (2) certain amounts given special treatment in the course of statistical processing. The first category included such items as construction reserve land, deferred income, dividends receivable, escrow deposits, income tax refunds, interest discounts, interest-free loans, overdraft protection and program-related investments. The second category included amounts reported by the return filer as negative liabilities. This item was reported on Form 990-PF, Part II, line 15, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

*Other Investments.*—Investments reported as "other" included such items as advances; bank certificates; cash values of life insurance; certificates of investment; investments in art, coins, gold, gems and paintings; miscellaneous loan income; and patronage dividends. This item was reported on Form 990-PF, Part II, line 13, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

*Private Foundation.*—This type of organization is defined in the Internal Revenue Code as a nonprofit corporation, association or trust with a narrow source of funds which operated or supported educational, scientific, religious and other charitable programs dedicated to improving the general welfare of society. A private foundation is an organization which qualifies for tax-exempt status under Code section 501(c)(3) and is *not* a church, school, hospital or medical research organization; an organization with broad public support in the form of contributions or income from tax-exempt activities; an organization operated by, or in connection with, any of the above described organizations; or an organization which conducts tests for public safety. The primary difference between a private foundation and a public charity lies in the sources of each type of organization's funding. A foundation usually receives its funds from an individual, a family or a corporation, while, as the name implies, a public charity receives its funds primarily from a large number of sources within the general public.

*Qualifying Distributions.*—Included were disbursements for charitable purposes (grants, direct expenditures to accomplish charitable purposes and charitable-purpose operating and administrative expenses); amounts paid to acquire assets used directly to accomplish tax-exempt functions; charitable program-related investments; and amounts set aside for future charitable projects. Qualifying distributions could be credited against the foundation's obligation to pay out its "distributable amount." This item was reported on Form 990-PF, Part XIII, line 6.

*Total Assets.*—This was the sum of all assets reported in the foundation's end-of-year balance sheet, shown at both book value and fair market value. This item was reported on Form 990-PF, Part II, line 16, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

*Total Expenses.*—This was the sum of contributions, gifts and grants paid plus various operating and administrative expenses related to both investment and charitable-purpose activities. Total expense items were reported as shown on the books and records of the foundation and were based on either the cash receipts or the accrual

method of accounting. This item was reported on Form 990-PF, Part I, line 26, column (a).

**Total Revenue.**—This was the sum of gross contributions, gifts and grants received; interest and dividends from securities, savings, and temporary cash investments; net gain (less loss) from sales of assets (mostly investment assets, but also charitable-use assets); gross rents and royalties; gross profit (less loss) from business activities; and other, miscellaneous income. Total revenue was reported as shown on the books and records of the foundation and was based on either the cash receipts or the accrual method of accounting. This item was reported on Form 990-PF, Part I, line 12, column (a).

**Undistributed Income.**—This was the portion of the required “distributable amount” still undistributed after applying against it the sum of current-year qualifying distributions and any excess distributions carryover from prior years. Sanctions were imposed in the form of penalty taxes on private foundations that did not pay out an amount equal to the “distributable amount” by the end of the following tax year. This item was reported on Form 990-PF, Part XIV, line 6f, column (d).

## Notes and References

- [1] The Explanation of Selected Terms toward the end of this article defines total assets, total revenues and other selected items reported on the IRS Form 990-PF.
- [2] Unless otherwise indicated, dollar amounts and percentages are not adjusted for inflation. Inflation-adjusted real values were calculated using the implicit price deflators for the gross domestic product from the Department of Commerce, Bureau of Economic Analysis, contained in the Council of Economic Advisors, *Economic Report of the President*, February 1992, Table C-3. Also, all references to assets are stated at fair market value unless book value is specifically noted.
- [3] These data represent those section 4947(a)(1) charitable trusts that file the Form 990-PF, *Return of Private Foundation*. The 1989 study year represents the first time since 1979 that Statistics of Income has collected data on these charitable trusts. The trusts are treated separately from the private foundations in both the statistical and descriptive analyses.
- [4] The “small” size group, described as those foundations holding less than \$1 million in fair market value of total assets, excludes foundations that either held no assets or that did not report assets on the balance sheet of the Form 990-PF. This distinction is used throughout the article.
- [5] The data presented in this article are from the Forms 990-PF, filed for Reporting Year 1989, by organizations which had accounting periods beginning in 1989. Therefore, the statistics for Reporting Year 1989 generally include organizations with accounting periods that ended sometime during the period December 1989 to November 1990. For a more detailed analysis, see the section, Data Sources and Limitations.
- [6] U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income, Compendium of Studies of Tax-Exempt Organizations, 1974-1987*, 1991. Copies are available exclusively from the Statistics of Income Division, Internal Revenue Service, Washington, DC.
- [7] Results of private foundation studies for 1982, 1983, 1985, 1986-1987 and 1988 have been published in various issues of the *Statistics of Income Bulletin*: Fall 1985, Volume 5, Number 2 (1982 data); Winter 1986-1987, Volume 6, Number 3 (1983 data); Summer 1989, Volume 9, Number 1 (1985 data); Spring 1991, Volume 10, Number 4 (1986-1987 data); and Winter 1991-1992, Volume 11, Number 3 (1988 data).
- [8] For an in-depth discussion of organizations other than private foundations, which are tax-exempt under Internal Revenue Code section 501(c)(3), see Hilgert, Cecelia and Arnsberger, Paul, “Charities and Other Tax-Exempt Organizations, 1988,” *Statistics of Income Bulletin*, Summer 1992, Volume 12, Number 1.
- [9] For purposes of the analyses, “charitable trust” refers only to the section 4947(a)(1) nonexempt charitable trusts that file Form 990-PF, while “private foundation” refers to the section 501(c)(3) (exempt) private foundations.
- [10] Programs termed “charitable” refer to tax-exempt activities which are charitable, educational, scientific, literary or religious in nature.
- [11] Some of the foundations classified as “nonoperating” for 1989 were “failed public charities,” organizations that were originally classified as public charities (Form 990 filers) but which could no longer qualify for that favored status because they failed to maintain the required minimum of support from public sources. Most often, the re-classified nonoperating foundations continued to operate like public charities, conducting programs or providing

## Private Foundations and Charitable Trusts, 1989

direct services, as opposed to making grants to accomplish a charitable purpose. Many of these organizations may have qualified as operating foundations, but did not request such status from the Internal Revenue Service.

- [12] Renz, Loren and Lawrence, Steven, *Foundation Giving: Yearbook of Facts and Figures on Private, Corporate and Community Foundations*, 1992 edition, The Foundation Center, p. 6.
- [13] Investment assets include savings and temporary cash investments; securities (such as corporate stock, corporate bonds, Government bonds, and Treasury bills); land, buildings and equipment; mortgage loans; and "other" investments.
- [14] For more detailed information on the investing and distributing behavior of foundations (excluding section 4947(a)(1) charitable trusts), see: Lester M. Salamon, Lester M. and Voytek, Kenneth P., *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, The Council on Foundations, 1989.
- [15] Salamon and Voytek, *Ibid.*
- [16] Salamon and Voytek, *Ibid.*
- [17] Salamon and Voytek, *Ibid.*
- [18] Investment assets include savings and temporary cash investments; securities (such as corporate stock, corporate bonds, Government bonds, and Treasury bills); land, buildings and equipment; mortgage loans; and "other" investments. Net investment income is comprised of income not considered to be related to a foundation's charitable purpose, such as interest, dividends and capital gain net income. The net investment income figure used in this calculation was obtained from column (b) of the income statement, found in Part I of the Form 990-PF. The components of investment income discussed in the previous section represent components of gross income found in column (a) of the income statement.
- [19] The rates of return for 1988 are slightly different from those found in "Private Foundations, 1988," *Statistics of Income Bulletin*, Winter 1991-1992, Volume 11, Number 3. This difference is due to adjusting for inflation using the new base year of the gross domestic product implicit price deflator. (The base year changed from 1982 to 1987.)
- [20] The rate of total return formula is the same as that developed and used by Salamon and Voytek in their

studies on foundation assets. See: Salamon and Voytek, *Ibid.*, p. 32. The formula is as follows:

$$\begin{aligned} \text{Rate of Total Return} = & \\ & [(\text{Ending Fair Market Value of Assets} \\ & - \text{Beginning Fair Market Value of Assets}) \\ & - (\text{Contributions Received by the Foundation}) \\ & + (\text{Grants Paid by the Foundation} \\ & \quad + \text{Operating and Administrative Expenses} \\ & \quad + \text{Excise Tax Paid on Net Investment Income})] \end{aligned}$$

### DIVIDED BY

$$\begin{aligned} & \text{[Beginning Fair Market Value of Assets} \\ & + (\text{Contributions Received} / 2)] \end{aligned}$$

To calculate the rate of total return shown in Figure H, private foundation information returns from data samples for consecutive years were matched in order to analyze both the beginning- and end-of-year fair market value data. The returns in the samples were matched by the employer identification number.

Due to the lower sampling rates used for the smaller foundations, the rate at which returns were matched for consecutive years was not high enough to ensure a proper level of statistical confidence. Therefore, the rate of return was only calculated for the medium and large foundations, those holding \$1 million or more in assets.

The beginning fair market value of assets for any given year equals the ending fair market value reported on the prior year's tax return. Thus, in order to provide a consistent form of measurement by which to compare rates of return among different years, the ending fair market value of asset amounts (reported for both the year subject to the computation and the prior year) were used to compute the rate of total return. In order to obtain an inflation-adjusted, real rate of return, the figure equaling the beginning-of-year fair market value of assets was adjusted using the gross domestic product implicit price deflator.

- [21] For a more detailed discussion, refer to Meckstroth, Alicia, "Private Foundations as Investors and Distributors of Tax-Exempt Charitable Dollars, 1974-1987," U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income, Compendium of Studies of Tax-Exempt Organizations, 1974-1987*, 1991. (Copies are available exclusively from the Statistics of Income Division, Internal Revenue Service, Washington, DC); and Meckstroth, Alicia and Riley, Margaret, "Private Foundation Returns,

## Private Foundations and Charitable Trusts, 1989

1986-1987," *Statistics of Income Bulletin*, Spring 1991, Volume 10, Number 4, pp. 23-50.

[22] *Ibid.*

[23] For valuing net investment (noncharitable-use) assets for the purpose of computing the minimum investment return, reductions for "blockage" or other marketability discounts are permitted. These discounts (limited to 10 percent in the case of securities, but statutorily unlimited in other cases, such as land holdings) can effectively reduce the net investment asset base and, thus, result in a minimum payout level of less than 5 percent of the full fair market value. An example of this type of discounting is a foundation that owns 15 percent of the stock of a publicly-held corporation. This percentage represents a block of securities so large in relation to the volume of actual sales on the existing market that it could not be liquidated in a reasonable time without depressing the market. Because of this situation, the foundation is allowed to discount the fair market value of the stock for the purposes of reporting it on the Form 990-PF. In addition, reductions are permitted for the excise tax on net investment income and the unrelated business income tax imposed under Internal Revenue Code section 511.

[24] The item, "qualifying distributions," as defined in the Internal Revenue Code and as used on the Form 990-PF, includes not only amounts that were

actually distributed, but also other amounts spent or set aside for charitable purposes.

[25] Renz, Loren and Lawrence, Steven, *Foundation Giving: Yearbook of Facts and Figures on Private, Corporate and Community Foundations*, 1991 edition, The Foundation Center, 1991, p.44, Figure 16.

[26] To calculate the payout rate, the amount of (adjusted) qualifying distributions was divided by the amount of the monthly average of net investment (or noncharitable-use) assets. This payout formula adjusts qualifying distributions with additions and subtractions that are made to the required "distributable amount" on the Form 990-PF. The numerator of the formula also includes excess distributions made in the past and applied to the requirement of the current filing year.

[27] The sample was stratified based on book value of assets, rather than fair market value, because amounts reported for the fair market value of assets were not fully validated by the IRS during administrative processing for the Business Master File (BMF) system from which the sample was drawn. Book value of assets, on the other hand, was fully validated. Beginning with the 1992 Tax Year, the IRS will fully validate the fair market value of assets for purposes of the BMF system. Then, for the 1993 Tax Year, Statistics of Income plans to begin sampling the 990-PF tax returns by fair market, rather than book, value of assets.

# Private Foundations and Charitable Trusts, 1989

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets**

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

Size of fair market value of total assets	Number of returns	Total revenue		Contributions, gifts and grants received		Dividends and interest from securities	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
		(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL FOUNDATIONS</b>							
Total.....	38,773	37,807	19,916,920	17,936	6,936,870	24,086	5,969,519
Zero or unreported.....	946	574	136,027	371	135,100	*112	*272
\$1 under \$100,000.....	14,352	13,799	330,392	7,622	276,419	5,290	13,855
\$100,000 under \$1,000,000.....	14,799	14,766	1,272,296	6,371	763,946	11,078	220,056
\$1,000,000 under \$10,000,000.....	7,049	7,042	4,165,432	2,919	2,125,079	6,072	864,010
\$10,000,000 under \$25,000,000.....	912	912	2,240,661	359	927,043	848	601,816
\$25,000,000 under \$50,000,000.....	329	329	1,676,996	131	612,788	309	479,026
\$50,000,000 under \$100,000,000.....	196	196	1,821,957	82	434,364	191	600,991
\$100,000,000 or more.....	189	189	8,273,159	82	1,662,130	166	3,189,493
<b>Nonoperating foundations</b>							
Total.....	35,705	34,799	18,333,926	15,963	6,426,153	22,917	5,550,811
Zero or unreported.....	928	556	134,649	353	133,722	*112	*272
\$1 under \$100,000.....	12,938	12,438	302,225	6,821	257,565	4,999	13,126
\$100,000 under \$1,000,000.....	13,881	13,847	1,132,444	5,748	646,994	10,697	213,133
\$1,000,000 under \$10,000,000.....	6,497	6,497	3,851,298	2,501	1,987,386	5,711	817,248
\$10,000,000 under \$25,000,000.....	814	814	2,044,724	295	856,683	769	559,270
\$25,000,000 under \$50,000,000.....	299	299	1,505,128	109	554,356	287	452,822
\$50,000,000 under \$100,000,000.....	173	173	1,621,373	65	380,681	170	547,728
\$100,000,000 or more.....	175	175	7,742,085	71	1,608,765	172	2,947,211
<b>Operating foundations</b>							
Total.....	3,067	3,007	1,582,994	1,973	510,717	1,168	418,708
Zero or unreported.....	*18	*18	*1,378	*18	*1,378	--	--
\$1 under \$100,000.....	1,414	1,361	28,167	801	18,854	290	728
\$100,000 under \$1,000,000.....	919	919	139,853	623	116,952	381	6,924
\$1,000,000 under \$10,000,000.....	552	545	314,134	418	137,693	361	46,762
\$10,000,000 under \$25,000,000.....	98	98	195,936	64	70,360	79	42,546
\$25,000,000 under \$50,000,000.....	30	30	171,868	22	58,432	22	26,203
\$50,000,000 under \$100,000,000.....	23	23	200,584	17	53,683	21	53,263
\$100,000,000 or more.....	14	14	531,074	11	53,365	14	242,282
<b>GRANTMAKING FOUNDATIONS</b>							
Total.....	32,557	32,372	18,494,216	14,279	6,084,683	22,311	5,779,361
Zero or unreported.....	437	381	52,133	231	50,970	*59	*38
\$1 under \$100,000.....	10,917	10,805	282,864	5,604	237,662	4,612	12,681
\$100,000 under \$1,000,000.....	13,288	13,271	1,080,404	5,391	604,791	10,498	211,501
\$1,000,000 under \$10,000,000.....	6,396	6,396	3,661,113	2,480	1,798,175	5,691	815,011
\$10,000,000 under \$25,000,000.....	852	852	2,076,940	315	833,653	805	580,056
\$25,000,000 under \$50,000,000.....	305	305	1,503,481	112	534,716	292	457,519
\$50,000,000 under \$100,000,000.....	182	182	1,693,051	72	393,987	178	560,841
\$100,000,000 or more.....	179	179	8,144,229	74	1,630,728	176	3,141,713
<b>Grantmaking-nonoperating foundations</b>							
Total.....	30,992	30,606	17,711,050	13,438	5,919,842	21,636	5,502,511
Zero or unreported.....	420	364	50,755	213	49,592	*59	*38
\$1 under \$100,000.....	10,112	10,000	268,202	5,244	229,525	4,430	12,150
\$100,000 under \$1,000,000.....	12,827	12,809	1,029,411	5,112	565,000	10,233	207,362
\$1,000,000 under \$10,000,000.....	6,189	6,189	3,556,514	2,341	1,742,291	5,528	795,734
\$10,000,000 under \$25,000,000.....	805	805	1,996,293	288	815,365	763	556,717
\$25,000,000 under \$50,000,000.....	295	295	1,467,317	106	528,872	284	449,952
\$50,000,000 under \$100,000,000.....	171	171	1,612,858	65	380,681	168	541,971
\$100,000,000 or more.....	173	173	7,729,701	69	1,608,516	170	2,938,567
<b>Grantmaking-operating foundations</b>							
Total.....	1,565	1,565	783,166	841	164,841	675	276,850
Zero or unreported.....	*18	*18	*1,378	*18	*1,378	--	--
\$1 under \$100,000.....	805	805	14,662	360	8,137	182	532
\$100,000 under \$1,000,000.....	461	461	50,993	278	39,791	264	4,140
\$1,000,000 under \$10,000,000.....	207	207	104,599	139	55,884	162	19,277
\$10,000,000 under \$25,000,000.....	47	47	80,648	27	18,288	42	23,339
\$25,000,000 under \$50,000,000.....	10	10	36,164	6	5,844	8	7,567
\$50,000,000 under \$100,000,000.....	11	11	80,193	7	13,306	10	18,870
\$100,000,000 or more.....	6	6	414,528	5	22,212	6	203,126

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Net gain (less loss) from sales of assets		Total expenses		Excess of revenue (less loss) over expenses		Net investment income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>ALL FOUNDATIONS</b>								
Total.....	14,495	4,738,242	37,642	10,734,604	37,828	9,182,315	34,108	12,060,669
Zero or unreported.....	*70	*-419	666	159,420	522	-23,392	249	1,202
\$1 under \$100,000.....	2,068	10,765	13,747	343,434	13,932	-13,043	11,053	44,874
\$100,000 under \$1,000,000.....	6,157	128,812	14,585	885,351	14,703	388,945	14,334	535,519
\$1,000,000 under \$10,000,000.....	4,745	682,770	7,020	2,141,205	7,046	2,024,226	6,866	1,907,274
\$10,000,000 under \$25,000,000.....	795	418,521	911	1,182,517	912	1,058,143	904	1,286,273
\$25,000,000 under \$50,000,000.....	301	343,714	328	934,125	328	742,871	319	935,486
\$50,000,000 under \$100,000,000.....	180	571,892	196	879,903	196	942,054	195	1,234,405
\$100,000,000 or more.....	178	2,602,386	189	4,208,649	189	4,064,510	188	6,115,637
<b>Nonoperating foundations</b>								
Total.....	13,804	4,389,009	34,628	9,898,783	34,829	8,435,142	31,672	11,264,179
Zero or unreported.....	*70	*-419	648	158,041	522	-23,392	249	1,202
\$1 under \$100,000.....	1,994	10,672	12,368	315,729	12,536	-13,505	10,108	42,053
\$100,000 under \$1,000,000.....	6,008	126,314	13,683	776,272	13,816	356,171	13,497	496,131
\$1,000,000 under \$10,000,000.....	4,418	619,290	6,469	1,932,820	6,495	1,918,478	6,366	1,802,306
\$10,000,000 under \$25,000,000.....	712	382,576	813	1,073,112	814	971,612	811	1,194,139
\$25,000,000 under \$50,000,000.....	277	310,660	299	836,397	298	668,731	293	872,513
\$50,000,000 under \$100,000,000.....	160	519,293	173	781,176	173	840,198	173	1,157,238
\$100,000,000 or more.....	164	2,420,623	175	4,025,236	175	3,716,849	174	5,698,597
<b>Operating foundations</b>								
Total.....	691	349,233	3,014	835,821	2,999	747,173	2,437	796,490
Zero or unreported.....	--	--	*18	*1,378	--	--	--	--
\$1 under \$100,000.....	*73	*93	1,379	27,705	1,396	463	945	2,821
\$100,000 under \$1,000,000.....	149	2,299	902	109,078	886	30,774	837	39,388
\$1,000,000 under \$10,000,000.....	327	43,481	551	208,385	551	105,748	500	104,967
\$10,000,000 under \$25,000,000.....	83	35,945	98	109,405	98	86,532	93	92,133
\$25,000,000 under \$50,000,000.....	24	33,054	29	97,728	30	74,140	26	62,974
\$50,000,000 under \$100,000,000.....	20	52,599	23	98,728	23	101,856	22	77,167
\$100,000,000 or more.....	14	181,763	14	183,413	14	347,660	14	417,040
<b>GRANTMAKING FOUNDATIONS</b>								
Total.....	13,544	4,627,648	32,557	10,025,141	32,294	8,469,075	30,383	11,708,462
Zero or unreported.....	*52	* ( )	437	74,834	364	-22,501	178	991
\$1 under \$100,000.....	1,875	10,630	10,917	308,055	10,794	-25,191	9,287	41,983
\$100,000 under \$1,000,000.....	5,750	121,382	13,288	787,547	13,224	292,857	13,082	510,490
\$1,000,000 under \$10,000,000.....	4,491	634,025	6,396	1,951,232	6,394	1,709,881	6,327	1,779,706
\$10,000,000 under \$25,000,000.....	753	404,838	852	1,115,896	852	961,044	850	1,242,947
\$25,000,000 under \$50,000,000.....	283	322,803	305	843,122	304	660,359	299	893,233
\$50,000,000 under \$100,000,000.....	170	552,485	182	810,897	182	882,154	182	1,192,661
\$100,000,000 or more.....	169	2,581,485	179	4,133,759	179	4,010,470	178	6,046,451
<b>Grantmaking-nonoperating foundations</b>								
Total.....	13,172	4,375,969	30,992	9,891,559	30,782	8,019,490	29,048	11,170,244
Zero or unreported.....	*52	* ( )	420	73,255	364	-22,501	178	991
\$1 under \$100,000.....	1,837	10,486	10,112	291,334	9,989	-23,132	8,664	39,998
\$100,000 under \$1,000,000.....	5,649	120,568	12,827	752,927	12,778	276,484	12,637	478,113
\$1,000,000 under \$10,000,000.....	4,328	613,945	6,189	1,891,243	6,187	1,665,271	6,133	1,739,875
\$10,000,000 under \$25,000,000.....	708	380,988	805	1,068,641	805	927,652	804	1,189,202
\$25,000,000 under \$50,000,000.....	274	310,049	295	824,201	294	643,116	290	869,425
\$50,000,000 under \$100,000,000.....	180	519,293	171	773,822	171	839,036	171	1,156,940
\$100,000,000 or more.....	183	2,420,642	173	4,016,136	173	3,713,565	172	5,695,699
<b>Grantmaking-operating foundations</b>								
Total.....	371	251,679	1,565	333,581	1,532	449,585	1,335	538,218
Zero or unreported.....	--	--	18	1,378	--	--	--	--
\$1 under \$100,000.....	38	144	805	18,721	805	-2,058	623	1,986
\$100,000 under \$1,000,000.....	*101	*813	481	34,620	445	16,373	445	32,377
\$1,000,000 under \$10,000,000.....	*162	*20,079	207	59,989	207	44,610	194	39,831
\$10,000,000 under \$25,000,000.....	44	23,852	47	47,255	47	33,393	46	53,745
\$25,000,000 under \$50,000,000.....	9	12,754	10	18,921	10	17,243	9	23,807
\$50,000,000 under \$100,000,000.....	10	33,192	11	37,074	11	43,119	11	35,721
\$100,000,000 or more.....	6	160,844	6	117,823	6	286,905	6	350,752

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Disbursements for exempt purposes		Contributions, gifts and grants paid <sup>1</sup>		Grant administrative expenses	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)
<b>ALL FOUNDATIONS</b>						
Total.....	35,925	9,388,759	32,557	8,108,108	19,674	481,522
Zero or unreported.....	525	77,825	437	76,377	304	1,072
\$1 under \$100,000.....	12,590	312,887	10,917	273,308	6,205	11,989
\$100,000 under \$1,000,000.....	14,323	826,366	13,288	699,332	7,403	24,005
\$1,000,000 under \$10,000,000.....	6,876	1,942,743	6,396	1,693,523	4,482	77,787
\$10,000,000 under \$25,000,000.....	904	1,063,720	852	927,938	673	54,166
\$25,000,000 under \$50,000,000.....	325	828,707	305	710,679	273	40,379
\$50,000,000 under \$100,000,000.....	194	776,595	182	650,478	166	40,447
\$100,000,000 or more.....	188	3,559,916	179	3,076,472	167	231,676
<b>Nonoperating foundations</b>						
Total.....	33,100	8,705,090	30,992	8,033,771	18,598	443,328
Zero or unreported.....	507	76,447	420	75,135	287	936
\$1 under \$100,000.....	11,305	290,500	10,112	263,273	5,873	10,916
\$100,000 under \$1,000,000.....	13,471	725,460	12,827	685,873	7,058	20,673
\$1,000,000 under \$10,000,000.....	6,363	1,775,197	6,189	1,678,454	4,337	58,502
\$10,000,000 under \$25,000,000.....	810	977,533	805	915,105	652	50,749
\$25,000,000 under \$50,000,000.....	298	764,337	295	706,495	266	39,761
\$50,000,000 under \$100,000,000.....	171	697,101	171	643,520	160	36,927
\$100,000,000 or more.....	174	3,398,514	173	3,065,917	164	224,865
<b>Operating foundations</b>						
Total.....	2,825	683,668	1,565	74,337	1,075	38,194
Zero or unreported.....	*18	*1,378	*18	*1,243	*18	*136
\$1 under \$100,000.....	1,284	22,388	805	10,036	532	1,073
\$100,000 under \$1,000,000.....	852	100,906	461	13,460	345	3,332
\$1,000,000 under \$10,000,000.....	513	167,546	207	15,069	144	19,285
\$10,000,000 under \$25,000,000.....	94	86,187	47	12,833	20	3,417
\$25,000,000 under \$50,000,000.....	27	64,370	10	4,184	7	618
\$50,000,000 under \$100,000,000.....	23	79,493	11	6,958	6	3,520
\$100,000,000 or more.....	14	161,402	6	10,555	3	6,811
<b>GRANTMAKING FOUNDATIONS</b>						
Total.....	32,557	8,918,796	32,557	8,108,108	19,183	466,027
Zero or unreported.....	437	77,530	437	76,377	287	1,069
\$1 under \$100,000.....	10,917	288,761	10,917	273,308	5,932	11,147
\$100,000 under \$1,000,000.....	13,288	740,076	13,288	699,332	7,284	19,278
\$1,000,000 under \$10,000,000.....	6,396	1,803,628	6,396	1,693,523	4,404	70,395
\$10,000,000 under \$25,000,000.....	852	1,015,606	852	927,938	671	54,012
\$25,000,000 under \$50,000,000.....	305	765,699	305	710,679	273	40,379
\$50,000,000 under \$100,000,000.....	182	726,754	182	650,478	165	38,071
\$100,000,000 or more.....	179	3,500,741	179	3,076,472	167	231,676
<b>Grantmaking-nonoperating foundations</b>						
Total.....	30,992	8,636,096	30,992	8,033,771	18,250	439,171
Zero or unreported.....	420	76,151	420	75,135	269	933
\$1 under \$100,000.....	10,112	275,672	10,112	263,273	5,453	10,227
\$100,000 under \$1,000,000.....	12,827	709,408	12,827	685,873	6,987	17,849
\$1,000,000 under \$10,000,000.....	6,189	1,751,465	6,189	1,678,454	4,298	57,860
\$10,000,000 under \$25,000,000.....	805	973,825	805	915,105	652	50,749
\$25,000,000 under \$50,000,000.....	295	754,070	295	706,495	266	39,761
\$50,000,000 under \$100,000,000.....	171	697,101	171	643,520	160	36,927
\$100,000,000 or more.....	173	3,398,403	173	3,065,917	164	224,865
<b>Grantmaking-operating foundations</b>						
Total.....	1,565	282,699	1,565	74,337	933	26,856
Zero or unreported.....	*18	*1,378	*18	*1,243	*18	*136
\$1 under \$100,000.....	805	13,089	805	10,036	479	920
\$100,000 under \$1,000,000.....	461	30,669	461	13,460	297	1,429
\$1,000,000 under \$10,000,000.....	207	52,163	207	15,069	106	12,534
\$10,000,000 under \$25,000,000.....	47	41,780	47	12,833	18	3,263
\$25,000,000 under \$50,000,000.....	10	11,829	10	4,184	7	618
\$50,000,000 under \$100,000,000.....	11	29,653	11	6,958	5	1,145
\$100,000,000 or more.....	6	102,338	6	10,555	3	6,811

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 1.—All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets—Continued**

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

Size of fair market value of total assets	Excise tax on net investment income				Total assets (book value)		Investments in securities (book value)		
	Total	Domestic organizations		Foreign organizations		Number of returns	Amount	Number of returns	Amount
		Number of returns	Amount	Number of returns	Amount				
	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>ALL FOUNDATIONS</b>									
Total.....	166,205	32,801	165,258	29	947	37,845	116,202,994	23,895	89,777,246
Zero or unreported.....	*15	232	15	--	--	*19	*62,466	19	5,655
\$1 under \$100,000.....	692	10,255	692	--	--	14,352	476,009	5,090	181,817
\$100,000 under \$1,000,000.....	8,581	14,121	8,581	--	--	14,799	4,982,084	11,001	2,767,526
\$1,000,000 under \$10,000,000.....	29,391	6,677	29,356	*17	*35	7,049	18,081,031	6,214	12,398,927
\$10,000,000 under \$25,000,000.....	18,914	863	18,914	--	--	912	11,650,413	871	8,855,268
\$25,000,000 under \$50,000,000.....	14,268	299	14,213	3	55	329	9,668,966	319	7,425,401
\$50,000,000 under \$100,000,000.....	16,832	182	16,605	3	27	196	11,275,587	192	8,909,752
\$100,000,000 or more.....	77,712	172	76,883	6	830	189	60,006,437	189	49,232,899
<b>Nonoperating foundations</b>									
Total.....	161,908	30,917	160,976	28	932	34,795	105,274,780	22,682	83,217,976
Zero or unreported.....	*15	232	15	--	--	*19	*62,466	19	5,655
\$1 under \$100,000.....	648	9,488	648	--	--	12,938	433,959	4,820	173,711
\$100,000 under \$1,000,000.....	7,943	13,433	7,943	--	--	13,881	4,648,235	10,805	2,681,754
\$1,000,000 under \$10,000,000.....	28,257	6,334	28,222	*17	*35	6,497	16,605,743	5,810	11,776,828
\$10,000,000 under \$25,000,000.....	18,027	808	18,027	--	--	814	10,445,805	789	8,227,381
\$25,000,000 under \$50,000,000.....	13,789	287	13,734	3	55	299	8,798,429	293	6,984,841
\$50,000,000 under \$100,000,000.....	15,955	167	15,943	2	12	173	10,012,576	171	8,161,542
\$100,000,000 or more.....	77,274	168	76,444	6	830	175	54,267,566	175	45,602
<b>Operating foundations</b>									
Total.....	4,297	1,884	4,282	1	15	3,050	10,928,214	1,213	6,559,271
Zero or unreported.....	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*44	766	44	--	--	1,414	42,051	269	8,105
\$100,000 under \$1,000,000.....	637	688	637	--	--	919	333,849	396	85,773
\$1,000,000 under \$10,000,000.....	1,134	343	1,134	--	--	552	1,475,287	404	622,099
\$10,000,000 under \$25,000,000.....	888	56	888	--	--	98	1,204,608	82	627,887
\$25,000,000 under \$50,000,000.....	479	12	479	--	--	30	870,537	26	440,561
\$50,000,000 under \$100,000,000.....	676	15	661	1	15	23	1,263,011	21	748,210
\$100,000,000 or more.....	439	4	439	--	--	14	5,738,871	14	4,026,636
<b>GRANTMAKING FOUNDATIONS</b>									
Total.....	162,731	29,674	161,826	25	905	32,120	110,423,767	21,990	86,886,352
Zero or unreported.....	*10	178	10	--	--	--	--	--	--
\$1 under \$100,000.....	642	8,793	642	--	--	10,917	409,531	4,409	169,084
\$100,000 under \$1,000,000.....	8,194	12,982	8,194	--	--	13,288	4,515,623	10,344	2,644,427
\$1,000,000 under \$10,000,000.....	27,643	6,252	27,608	*17	*35	6,396	16,354,149	5,758	11,594,916
\$10,000,000 under \$25,000,000.....	18,589	833	18,589	--	--	852	10,899,890	923	8,227,381
\$25,000,000 under \$50,000,000.....	14,013	290	13,958	3	55	305	8,984,755	298	6,984,841
\$50,000,000 under \$100,000,000.....	16,318	178	16,318	--	--	182	10,422,019	179	8,161,542
\$100,000,000 or more.....	77,319	169	76,504	5	815	179	58,837,799	179	45,208,263
<b>Grantmaking-nonoperating foundations</b>									
Total.....	160,086	28,597	159,181	25	905	30,572	103,470,312	21,350	82,304,846
Zero or unreported.....	*10	178	10	--	--	--	--	--	--
\$1 under \$100,000.....	612	8,293	612	--	--	10,112	383,800	4,248	162,795
\$100,000 under \$1,000,000.....	7,604	12,604	7,604	--	--	12,827	4,348,162	10,095	2,593,091
\$1,000,000 under \$10,000,000.....	27,042	6,103	27,007	*17	*35	6,189	15,851,295	5,596	11,366,034
\$10,000,000 under \$25,000,000.....	17,938	801	17,938	--	--	805	10,318,623	781	8,148,440
\$25,000,000 under \$50,000,000.....	13,727	284	13,672	3	55	295	8,698,613	289	6,934,191
\$50,000,000 under \$100,000,000.....	15,943	167	15,943	--	--	171	9,886,614	169	8,072,662
\$100,000,000 or more.....	77,209	167	76,394	5	815	173	53,983,006	173	45,027,632
<b>Grantmaking-operating foundations</b>									
Total.....	2,644	1,077	2,644	--	--	1,548	6,953,455	640	4,581,506
Zero or unreported.....	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*30	500	30	--	--	805	25,731	*161	*6,289
\$100,000 under \$1,000,000.....	590	377	590	--	--	481	167,461	250	51,336
\$1,000,000 under \$10,000,000.....	601	150	601	--	--	207	502,855	162	228,882
\$10,000,000 under \$25,000,000.....	651	33	651	--	--	47	581,267	42	348,236
\$25,000,000 under \$50,000,000.....	286	6	286	--	--	10	285,943	9	169,219
\$50,000,000 under \$100,000,000.....	375	9	375	--	--	11	535,406	10	280,663
\$100,000,000 or more.....	111	2	111	--	--	6	4,854,793	6	3,496,882

Footnotes at end of table.



# Private Foundations and Charitable Trusts, 1989

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Total assets (fair market value)		Investments in securities (fair market value)		Net worth		Minimum investment return	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>ALL FOUNDATIONS</b>								
Total.....	37,827	151,694,261	23,826	121,393,974	37,943	111,842,594	38,750	6,488,272
Zero or unreported.....	--	--	--	--	182	-43,458	360	704
\$1 under \$100,000.....	14,352	455,836	5,026	160,407	14,314	434,103	13,113	22,631
\$100,000 under \$1,000,000.....	14,799	5,500,624	11,017	3,207,334	14,799	4,879,614	14,653	245,876
\$1,000,000 under \$10,000,000.....	7,049	21,242,040	6,212	15,067,879	7,042	17,519,678	7,009	928,908
\$10,000,000 under \$25,000,000.....	912	14,086,317	871	11,029,294	912	11,392,189	908	626,599
\$25,000,000 under \$50,000,000.....	329	11,554,315	319	8,997,526	329	9,187,306	326	521,395
\$50,000,000 under \$100,000,000.....	196	13,815,696	182	10,931,558	196	11,051,427	194	602,078
\$100,000,000 or more.....	189	85,239,432	189	71,999,978	189	57,421,734	187	3,540,081
<b>Nonoperating foundations</b>								
Total.....	34,777	138,338,548	22,613	114,138,323	34,894	101,513,558	34,029	6,063,425
Zero or unreported.....	--	--	--	--	182	-43,458	360	704
\$1 under \$100,000.....	12,938	410,949	4,756	150,531	12,900	393,986	11,948	20,577
\$100,000 under \$1,000,000.....	13,881	5,145,036	10,621	3,118,880	13,881	4,557,379	13,799	234,277
\$1,000,000 under \$10,000,000.....	6,497	19,450,126	5,808	14,306,737	6,490	16,191,779	6,489	870,760
\$10,000,000 under \$25,000,000.....	814	12,677,371	789	10,285,180	814	10,262,646	812	581,158
\$25,000,000 under \$50,000,000.....	299	10,498,879	293	8,493,714	299	8,510,215	297	489,592
\$50,000,000 under \$100,000,000.....	173	12,138,525	171	10,076,515	173	9,862,267	171	555,547
\$100,000,000 or more.....	175	78,017,663	175	67,706,765	175	51,778,744	173	3,310,810
<b>Operating foundations</b>								
Total.....	3,050	13,355,713	1,213	7,255,652	3,049	10,329,036	2,721	424,847
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	1,414	44,887	269	9,876	1,414	40,117	1,165	2,054
\$100,000 under \$1,000,000.....	919	355,589	396	88,454	919	322,236	854	11,599
\$1,000,000 under \$10,000,000.....	552	1,791,914	404	761,142	551	1,327,899	540	58,148
\$10,000,000 under \$25,000,000.....	98	1,408,946	82	744,114	98	1,129,543	96	45,441
\$25,000,000 under \$50,000,000.....	30	1,055,436	26	503,811	30	677,091	29	31,803
\$50,000,000 under \$100,000,000.....	23	1,477,171	21	855,042	23	1,189,161	23	46,531
\$100,000,000 or more.....	14	7,221,769	14	4,293,213	14	5,642,990	14	229,271
<b>GRANTMAKING FOUNDATIONS</b>								
Total.....	32,120	143,877,315	21,956	117,933,622	32,152	106,841,370	31,973	6,292,150
Zero or unreported.....	--	--	--	--	58	-34,734	290	601
\$1 under \$100,000.....	10,917	387,596	4,345	146,498	10,899	372,373	10,525	20,442
\$100,000 under \$1,000,000.....	13,288	4,998,542	10,376	3,064,145	13,288	4,463,233	13,256	232,201
\$1,000,000 under \$10,000,000.....	6,396	19,169,544	5,756	14,133,751	6,390	16,051,334	6,388	873,543
\$10,000,000 under \$25,000,000.....	852	13,229,555	823	10,608,038	852	10,714,834	850	602,962
\$25,000,000 under \$50,000,000.....	305	10,737,879	298	8,630,759	305	8,740,142	304	499,093
\$50,000,000 under \$100,000,000.....	182	12,625,795	179	10,273,491	182	10,258,200	181	569,906
\$100,000,000 or more.....	179	82,728,404	179	71,076,939	179	56,275,988	178	3,493,403
<b>Grantmaking-nonoperating foundations</b>								
Total.....	30,572	136,017,133	21,316	113,148,741	30,604	100,034,077	30,530	6,023,214
Zero or unreported.....	--	--	--	--	58	-34,734	290	601
\$1 under \$100,000.....	10,112	360,899	4,184	139,428	10,094	348,036	9,793	18,970
\$100,000 under \$1,000,000.....	12,827	4,826,588	10,126	3,017,680	12,827	4,297,078	12,827	226,054
\$1,000,000 under \$10,000,000.....	6,189	18,587,771	5,594	13,876,456	6,183	15,574,892	6,181	850,765
\$10,000,000 under \$25,000,000.....	805	12,546,066	781	10,202,123	805	10,146,050	803	578,254
\$25,000,000 under \$50,000,000.....	295	10,384,590	289	8,429,193	295	8,464,887	294	487,318
\$50,000,000 under \$100,000,000.....	171	11,980,518	169	9,955,591	171	9,736,338	170	551,726
\$100,000,000 or more.....	173	77,330,702	173	67,528,270	173	51,501,530	172	3,309,527
<b>Grantmaking-operating foundations</b>								
Total.....	1,548	7,860,182	640	4,784,880	1,548	6,807,293	1,442	268,937
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	805	26,697	*161	*7,070	805	24,336	731	1,472
\$100,000 under \$1,000,000.....	461	171,953	250	46,464	461	166,155	429	6,147
\$1,000,000 under \$10,000,000.....	207	581,774	182	257,295	207	476,443	207	22,778
\$10,000,000 under \$25,000,000.....	47	683,489	42	405,915	47	568,784	47	24,708
\$25,000,000 under \$50,000,000.....	10	353,290	9	201,568	10	275,255	10	11,775
\$50,000,000 under \$100,000,000.....	11	645,277	10	317,900	11	521,862	11	18,180
\$100,000,000 or more.....	6	5,397,702	6	3,548,869	6	4,774,458	6	183,876

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 1.—All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets—Continued**

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

Size of fair market value of total assets	Distributable amount		Qualifying distributions		Undistributed income for 1989		Excess distributions carryover to 1990	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>ALL FOUNDATIONS</b>								
Total.....	33,720	5,983,754	35,802	9,787,485	7,548	1,662,465	26,734	11,649,636
Zero or unreported.....	360	691	525	77,288	*35	*131	490	216,405
\$1 under \$100,000.....	11,727	20,565	12,411	305,850	2,061	2,268	10,040	1,242,021
\$100,000 under \$1,000,000.....	13,718	245,257	14,374	841,786	2,900	42,743	10,834	1,734,796
\$1,000,000 under \$10,000,000.....	6,463	865,596	6,882	1,978,316	1,978	180,808	4,493	3,572,865
\$10,000,000 under \$25,000,000.....	812	572,436	904	1,080,514	289	120,827	519	1,570,885
\$25,000,000 under \$50,000,000.....	295	482,789	325	831,469	129	140,849	167	1,062,980
\$50,000,000 under \$100,000,000.....	171	545,578	194	837,175	66	137,224	106	737,332
\$100,000,000 or more.....	173	3,250,841	187	3,835,088	89	1,037,816	84	1,512,351
<b>Nonoperating foundations</b>								
Total.....	33,720	5,983,754	32,996	8,797,572	7,548	1,662,465	26,734	11,649,636
Zero or unreported.....	360	691	507	75,910	*35	*131	490	216,405
\$1 under \$100,000.....	11,727	20,565	11,144	263,338	2,061	2,268	10,040	1,242,021
\$100,000 under \$1,000,000.....	13,718	245,257	13,536	726,247	2,900	42,743	10,834	1,734,796
\$1,000,000 under \$10,000,000.....	6,463	865,596	6,357	1,783,869	1,978	180,808	4,493	3,572,865
\$10,000,000 under \$25,000,000.....	812	572,436	810	974,824	289	120,827	519	1,570,885
\$25,000,000 under \$50,000,000.....	295	482,789	298	759,452	129	140,849	167	1,062,980
\$50,000,000 under \$100,000,000.....	171	545,578	171	720,014	66	137,224	106	737,332
\$100,000,000 or more.....	173	3,250,841	173	3,473,920	89	1,037,816	84	1,512,351
<b>Operating foundations</b>								
Total.....	N/A	N/A	2,806	989,913	N/A	N/A	N/A	N/A
Zero or unreported.....	N/A	N/A	*18	*1,378	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	N/A	N/A	1,267	22,514	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	N/A	N/A	838	115,539	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	N/A	N/A	526	194,447	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000.....	N/A	N/A	94	105,690	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000.....	N/A	N/A	27	72,017	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000.....	N/A	N/A	23	117,161	N/A	N/A	N/A	N/A
\$100,000,000 or more.....	N/A	N/A	14	361,168	N/A	N/A	N/A	N/A
<b>GRANTMAKING FOUNDATIONS</b>								
Total.....	30,329	5,942,635	32,532	9,189,901	5,952	1,647,118	24,798	11,400,092
Zero or unreported.....	290	591	437	78,995	*18	*35	385	213,966
\$1 under \$100,000.....	9,681	18,994	10,899	282,189	1,090	1,680	8,917	1,156,061
\$100,000 under \$1,000,000.....	12,746	234,856	13,268	742,848	2,456	40,235	10,274	1,648,530
\$1,000,000 under \$10,000,000.....	6,174	846,738	6,390	1,799,219	1,824	174,012	4,352	3,512,927
\$10,000,000 under \$25,000,000.....	803	569,620	852	1,019,924	283	119,901	518	1,568,041
\$25,000,000 under \$50,000,000.....	292	480,577	305	784,117	127	140,025	165	1,052,560
\$50,000,000 under \$100,000,000.....	170	541,768	182	757,004	65	133,414	106	737,332
\$100,000,000 or more.....	172	3,249,492	178	3,747,604	89	1,037,816	83	1,510,676
<b>Grantmaking-nonoperating foundations</b>								
Total.....	30,329	5,942,635	30,967	8,716,335	5,952	1,647,118	24,798	11,400,092
Zero or unreported.....	290	591	420	75,617	*18	*35	385	213,966
\$1 under \$100,000.....	9,681	18,994	10,094	269,752	1,090	1,680	8,917	1,156,061
\$100,000 under \$1,000,000.....	12,746	234,856	12,827	704,166	2,456	40,235	10,274	1,648,530
\$1,000,000 under \$10,000,000.....	6,174	846,738	6,183	1,752,287	1,824	174,012	4,352	3,512,927
\$10,000,000 under \$25,000,000.....	803	569,620	805	971,488	283	119,901	518	1,568,041
\$25,000,000 under \$50,000,000.....	292	480,577	295	749,233	127	140,025	165	1,052,560
\$50,000,000 under \$100,000,000.....	170	541,768	171	720,014	65	133,414	106	737,332
\$100,000,000 or more.....	172	3,249,492	172	3,473,777	89	1,037,816	15,110,676	1,510,676
<b>Grantmaking-operating foundations</b>								
Total.....	N/A	N/A	1,565	473,566	N/A	N/A	N/A	N/A
Zero or unreported.....	N/A	N/A	*18	*1,378	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	N/A	N/A	805	12,436	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	N/A	N/A	461	38,682	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	N/A	N/A	207	46,932	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000.....	N/A	N/A	47	48,436	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000.....	N/A	N/A	10	14,884	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000.....	N/A	N/A	11	38,990	N/A	N/A	N/A	N/A
\$100,000,000 or more.....	N/A	N/A	6	273,827	N/A	N/A	N/A	N/A

N/A - not applicable.

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

<sup>1</sup> The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that foundations actually disbursed for charitable purposes for 1989 using the cash receipts and distributions method of accounting. This figure differs somewhat from that reported as contributions, gifts, and grants paid in the income statement of Table 3. When reporting the amount used in the income statement, or per the books, foundations have the option of using either the cash receipts and disbursements or the accrual method of accounting. This difference in reporting method, therefore, accounts for the difference in the amount of contributions, gifts, and grants paid as reported in Tables 1 and 3.

<sup>2</sup> Less than \$500.

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

# Private Foundations and Charitable Trusts, 1989

**Table 2.--Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets**

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

Size of fair market value of total assets	Number of returns	Total revenue		Contributions, gifts and grants received		Dividends and interest from securities	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
		(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL CHARITABLE TRUSTS</b>							
Total.....	2,634	2,612	404,571	353	86,254	2,179	127,828
Zero or unreported.....	*21	*17	*3,783	*3	*3,633	*10	*112
\$1 under \$100,000.....	942	924	4,299	140	1,071	697	1,733
\$100,000 under \$1,000,000.....	1,155	1,154	56,682	113	8,443	986	22,584
\$1,000,000 under \$10,000,000.....	478	478	204,232	89	49,800	448	64,215
\$10,000,000 or more.....	38	38	135,576	8	23,308	37	39,185
<b>Nonoperating trusts</b>							
Total.....	2,593	2,571	393,899	332	85,029	2,163	127,096
Zero or unreported.....	*21	*17	*3,783	*3	*3,633	*10	*112
\$1 under \$100,000.....	938	921	4,272	140	1,071	697	1,733
\$100,000 under \$1,000,000.....	1,125	1,124	49,613	94	7,440	976	22,333
\$1,000,000 under \$10,000,000.....	473	473	202,236	87	49,579	444	64,078
\$10,000,000 or more.....	36	36	133,997	8	23,308	35	38,840
<b>Operating trusts</b>							
Total.....	41	41	10,672	*20	*1,225	*16	*732
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	*3	*3	*27	--	--	--	--
\$100,000 under \$1,000,000.....	*30	*30	*7,070	*18	*1,004	*10	*250
\$1,000,000 under \$10,000,000.....	5	5	1,996	2	221	4	137
\$10,000,000 or more.....	2	2	1,580	--	--	2	345
<b>GRANTMAKING CHARITABLE TRUSTS</b>							
Total.....	2,448	2,430	343,101	287	51,490	2,089	122,011
Zero or unreported.....	*17	*17	*3,783	*3	*3,633	*10	*112
\$1 under \$100,000.....	854	837	3,972	112	888	669	1,706
\$100,000 under \$1,000,000.....	1,093	1,093	46,057	88	5,320	947	21,597
\$1,000,000 under \$10,000,000.....	449	449	185,879	77	39,843	428	60,658
\$10,000,000 or more.....	34	34	103,411	7	1,807	34	37,939
<b>Grantmaking-nonoperating trusts</b>							
Total.....	2,429	2,412	341,366	284	51,154	2,079	121,570
Zero or unreported.....	*17	*17	*3,783	*3	*3,633	*10	*112
\$1 under \$100,000.....	851	833	3,945	112	888	669	1,706
\$100,000 under \$1,000,000.....	1,081	1,081	45,451	86	4,984	940	21,441
\$1,000,000 under \$10,000,000.....	447	447	185,764	76	39,842	427	60,641
\$10,000,000 or more.....	33	33	102,423	7	1,807	33	37,671
<b>Grantmaking-operating trusts</b>							
Total.....	*19	*19	*1,735	*3	*337	*10	*441
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	*3	*3	*27	--	--	--	--
\$100,000 under \$1,000,000.....	*12	*12	*605	*2	*336	*8	*156
\$1,000,000 under \$10,000,000.....	2	2	115	1	1	1	17
\$10,000,000 or more.....	1	1	988	--	--	1	268

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 2.--Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Net gain (less loss) from sales of assets		Total expenses		Excess of revenue (less loss) over expenses		Net investment income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>ALL CHARITABLE TRUSTS</b>								
Total.....	1,625	132,869	2,611	184,191	2,593	220,380	2,522	302,258
Zero or unreported.....	*14	*27	*17	*3,910	*14	*-127	*14	*136
\$1 under \$100,000.....	362	361	935	5,627	914	-1,328	847	3,037
\$100,000 under \$1,000,000.....	811	12,915	1,152	39,247	1,150	17,435	1,148	42,265
\$1,000,000 under \$10,000,000.....	405	70,321	470	75,633	477	128,598	475	146,410
\$10,000,000 or more.....	34	49,246	37	59,773	38	75,803	38	110,410
<b>Nonoperating trusts</b>								
Total.....	1,595	131,655	2,570	174,956	2,552	218,943	2,486	299,097
Zero or unreported.....	*14	*27	*17	*3,910	*14	*-127	*14	*136
\$1 under \$100,000.....	362	361	931	5,604	910	-1,332	847	3,037
\$100,000 under \$1,000,000.....	786	12,706	1,122	33,349	1,120	16,264	1,117	41,480
\$1,000,000 under \$10,000,000.....	402	69,929	465	74,034	472	128,201	471	145,194
\$10,000,000 or more.....	32	48,632	35	58,059	36	75,938	36	109,250
<b>Operating trusts</b>								
Total.....	*30	*1,214	*41	*9,235	*41	*1,437	*36	*3,162
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	*3	*23	*3	*4	--	--
\$100,000 under \$1,000,000.....	*25	*209	*30	*5,898	*30	*1,171	*30	*785
\$1,000,000 under \$10,000,000.....	3	392	5	1,599	5	397	4	1,217
\$10,000,000 or more.....	2	613	2	1,714	2	-135	2	1,160
<b>GRANTMAKING CHARITABLE TRUSTS</b>								
Total.....	1,545	126,977	2,448	170,255	2,411	172,846	2,379	285,949
Zero or unreported.....	*14	*27	*17	*3,910	*14	*-127	*14	*136
\$1 under \$100,000.....	348	341	854	5,239	827	-1,268	795	2,907
\$100,000 under \$1,000,000.....	766	12,116	1,093	33,230	1,088	12,826	1,088	40,042
\$1,000,000 under \$10,000,000.....	386	67,260	449	72,622	448	113,257	447	139,020
\$10,000,000 or more.....	31	47,233	34	55,253	34	48,158	34	103,843
<b>Grantmaking-nonoperating trusts</b>								
Total.....	1,538	126,383	2,429	168,346	2,392	173,019	2,364	284,898
Zero or unreported.....	*14	*27	*17	*3,910	*14	*-127	*14	*136
\$1 under \$100,000.....	348	341	851	5,216	823	-1,272	795	2,907
\$100,000 under \$1,000,000.....	760	12,080	1,081	33,016	1,076	12,436	1,076	39,787
\$1,000,000 under \$10,000,000.....	386	67,260	447	72,528	446	113,236	446	138,826
\$10,000,000 or more.....	30	46,675	33	53,676	33	48,747	33	103,241
<b>Grantmaking-operating trusts</b>								
Total.....	*8	*594	*19	*1,909	*19	*-173	*14	*1,051
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	*3	*23	*3	*4	--	--
\$100,000 under \$1,000,000.....	*7	*36	*12	*215	*12	*391	*12	*255
\$1,000,000 under \$10,000,000.....	--	--	2	94	2	21	1	195
\$10,000,000 or more.....	1	558	1	1,577	1	-589	1	601

Footnotes at end of table.

Private Foundations and Charitable Trusts, 1989

**Table 2.—Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets—Continued**

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

Size of fair market value of total assets	Disbursements for exempt purposes		Contributions, gifts and grants paid <sup>1</sup>		Grant administrative expenses	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)
<b>ALL CHARITABLE TRUSTS</b>						
Total.....	2,544	155,763	2,448	143,652	1,834	5,039
Zero or unreported.....	*17	*3,890	*17	*3,885	*14	*5
\$1 under \$100,000.....	896	4,764	854	4,537	599	186
\$100,000 under \$1,000,000.....	1,130	29,411	1,093	27,695	841	965
\$1,000,000 under \$10,000,000.....	465	64,718	449	60,408	351	2,084
\$10,000,000 or more.....	36	52,981	34	47,127	28	1,800
<b>Nonoperating trusts</b>						
Total.....	2,519	153,023	2,429	142,378	1,828	4,968
Zero or unreported.....	*17	*3,890	*17	*3,885	*14	*5
\$1 under \$100,000.....	893	4,740	851	4,515	599	186
\$100,000 under \$1,000,000.....	1,115	29,117	1,081	27,509	837	952
\$1,000,000 under \$10,000,000.....	460	63,568	447	60,336	351	2,084
\$10,000,000 or more.....	34	51,708	33	46,132	27	1,741
<b>Operating trusts</b>						
Total.....	*25	*2,739	*19	*1,275	*5	*71
Zero or unreported.....	--	--	--	--	--	--
\$1 under \$100,000.....	*3	*23	*3	*22	--	--
\$100,000 under \$1,000,000.....	*14	*294	*12	*186	*4	*13
\$1,000,000 under \$10,000,000.....	5	1,149	2	72	--	--
\$10,000,000 or more.....	2	1,273	1	995	1	58
<b>GRANTMAKING CHARITABLE TRUSTS</b>						
Total.....	2,448	149,634	2,448	143,652	1,807	5,011
Zero or unreported.....	*17	*3,890	*17	*3,885	*14	*5
\$1 under \$100,000.....	854	4,758	854	4,537	589	183
\$100,000 under \$1,000,000.....	1,093	29,169	1,093	27,695	826	957
\$1,000,000 under \$10,000,000.....	449	62,664	449	60,408	350	2,066
\$10,000,000 or more.....	34	49,153	34	47,127	28	1,800
<b>Grantmaking-nonoperating trusts</b>						
Total.....	2,429	148,150	2,429	142,378	1,802	4,940
Zero or unreported.....	*17	*3,890	*17	*3,885	*14	*5
\$1 under \$100,000.....	851	4,734	851	4,515	589	183
\$100,000 under \$1,000,000.....	1,081	28,970	1,081	27,509	822	945
\$1,000,000 under \$10,000,000.....	447	62,592	447	60,336	350	2,066
\$10,000,000 or more.....	33	47,963	33	46,132	27	1,741
<b>Grantmaking-operating trusts</b>						
Total.....	*19	*1,484	*19	*1,275	*5	*71
Zero or unreported.....	--	--	--	--	--	--
\$1 under \$100,000.....	*3	*23	*3	*22	--	--
\$100,000 under \$1,000,000.....	*12	*199	*12	*186	*4	*13
\$1,000,000 under \$10,000,000.....	2	72	2	72	--	--
\$10,000,000 or more.....	1	1,190	1	995	1	58

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 2.—Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of fair market value of total assets	Excise tax on net investment income					Total assets (book value)		Investments in securities (book value)	
	Total	Domestic organizations		Foreign organizations		Number of returns	Amount	Number of returns	Amount
		Number of returns	Amount	Number of returns	Amount				
	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>ALL CHARITABLE TRUSTS</b>									
Total.....	4,737	2,499	4,732	2	4	2,613	2,267,350	2,282	1,722,125
Zero or unreported.....	*3	*14	*3	--	--	--	--	--	--
\$1 under \$100,000.....	51	847	51	--	--	942	30,869	739	23,337
\$100,000 under \$1,000,000.....	687	1,135	687	--	--	1,155	374,843	1,043	291,791
\$1,000,000 under \$10,000,000.....	2,551	467	2,546	2	4	478	1,090,823	465	885,374
\$10,000,000 or more.....	1,446	36	1,446	--	--	38	771,015	35	521,622
<b>Nonoperating trusts</b>									
Total.....	4,689	2,464	4,685	2	4	2,572	2,199,698	2,264	1,709,572
Zero or unreported.....	*3	*14	*3	--	--	--	--	--	--
\$1 under \$100,000.....	51	847	51	--	--	938	30,855	739	23,337
\$100,000 under \$1,000,000.....	672	1,104	672	--	--	1,125	360,754	1,031	288,552
\$1,000,000 under \$10,000,000.....	2,535	464	2,530	2	4	473	1,071,875	460	880,318
\$10,000,000 or more.....	1,428	34	1,428	--	--	36	736,213	34	517,365
<b>Operating trusts</b>									
Total.....	47	35	47	--	--	41	67,652	18	12,553
Zero or unreported.....	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	--	--	--	*3	*14	--	--
\$100,000 under \$1,000,000.....	*14	*30	*14	--	--	*30	*14,089	*12	*3,239
\$1,000,000 under \$10,000,000.....	16	3	16	--	--	5	16,748	5	5,057
\$10,000,000 or more.....	17	2	17	--	--	2	34,802	1	4,257
<b>GRANTMAKING CHARITABLE TRUSTS</b>									
Total.....	4,431	2,359	4,427	2	4	2,430	2,053,805	2,173	1,614,138
Zero or unreported.....	*3	*14	*3	--	--	--	--	--	--
\$1 under \$100,000.....	49	795	49	--	--	854	29,601	694	22,531
\$100,000 under \$1,000,000.....	642	1,075	642	--	--	1,093	349,477	1,002	283,755
\$1,000,000 under \$10,000,000.....	2,418	442	2,413	2	4	449	1,009,475	444	832,580
\$10,000,000 or more.....	1,320	33	1,320	--	--	34	665,252	33	475,272
<b>Grantmaking-nonoperating trusts</b>									
Total.....	4,418	2,345	4,413	2	4	2,412	2,037,065	2,160	1,606,684
Zero or unreported.....	*3	*14	*3	--	--	--	--	--	--
\$1 under \$100,000.....	49	795	49	--	--	851	29,587	694	22,531
\$100,000 under \$1,000,000.....	639	1,063	639	--	--	1,081	347,040	992	281,698
\$1,000,000 under \$10,000,000.....	2,414	441	2,409	2	4	447	1,003,645	442	831,440
\$10,000,000 or more.....	1,314	32	1,314	--	--	33	656,792	32	471,015
<b>Grantmaking-operating trusts</b>									
Total.....	*14	*14	*14	--	--	*19	*16,741	*13	*7,453
Zero or unreported.....	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	--	--	--	*3	*14	--	--
\$100,000 under \$1,000,000.....	*4	*12	*4	--	--	*12	*2,437	*10	*2,057
\$1,000,000 under \$10,000,000.....	4	1	4	--	--	2	5,830	2	1,139
\$10,000,000 or more.....	6	1	6	--	--	1	8,460	1	4,257

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 2.—Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets—Continued**

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

Size of fair market value of total assets	Total assets (fair market value)		Investments in securities (fair market value)		Net worth		Minimum investment return	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>ALL CHARITABLE TRUSTS</b>								
<b>Total.....</b>	<b>2,613</b>	<b>2,888,063</b>	<b>2,277</b>	<b>2,233,339</b>	<b>2,578</b>	<b>2,253,596</b>	<b>2,573</b>	<b>134,589</b>
Zero or unreported.....	--	--	--	--	--	--	*17	*130
\$1 under \$100,000.....	942	34,229	736	26,397	907	30,823	886	1,689
\$100,000 under \$1,000,000.....	1,155	440,615	1,043	351,295	1,155	369,350	1,153	21,109
\$1,000,000 under \$10,000,000.....	478	1,338,228	464	1,110,143	478	1,086,766	478	63,051
\$10,000,000 or more.....	38	1,074,991	35	745,504	38	766,657	38	48,610
<b>Nonoperating trusts</b>								
<b>Total.....</b>	<b>2,572</b>	<b>2,759,378</b>	<b>2,259</b>	<b>2,219,069</b>	<b>2,537</b>	<b>2,191,703</b>	<b>2,532</b>	<b>132,406</b>
Zero or unreported.....	--	--	--	--	--	--	*17	*130
\$1 under \$100,000.....	938	34,215	736	26,397	903	30,809	882	1,689
\$100,000 under \$1,000,000.....	1,125	426,226	1,031	347,796	1,125	359,193	1,123	20,753
\$1,000,000 under \$10,000,000.....	473	1,312,946	459	1,105,199	473	1,068,187	473	62,326
\$10,000,000 or more.....	36	985,990	34	739,677	36	733,534	36	47,509
<b>Operating trusts</b>								
<b>Total.....</b>	<b>41</b>	<b>128,686</b>	<b>18</b>	<b>14,270</b>	<b>41</b>	<b>61,893</b>	<b>41</b>	<b>2,183</b>
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*3	*14	--	--	*3	*14	*3	*1
\$100,000 under \$1,000,000.....	*30	*14,389	*12	*3,499	*30	*10,157	*30	*356
\$1,000,000 under \$10,000,000.....	5	25,282	5	4,944	5	18,599	5	725
\$10,000,000 or more.....	2	89,001	1	5,827	2	33,123	2	1,102
<b>GRANTMAKING CHARITABLE TRUSTS</b>								
<b>Total.....</b>	<b>2,430</b>	<b>2,599,735</b>	<b>2,168</b>	<b>2,101,891</b>	<b>2,430</b>	<b>2,044,484</b>	<b>2,427</b>	<b>125,492</b>
Zero or unreported.....	--	--	--	--	--	--	*17	*130
\$1 under \$100,000.....	854	32,788	690	25,423	854	29,562	833	1,624
\$100,000 under \$1,000,000.....	1,093	412,753	1,002	341,514	1,093	348,049	1,093	20,134
\$1,000,000 under \$10,000,000.....	449	1,242,460	443	1,048,456	449	1,005,769	449	59,181
\$10,000,000 or more.....	34	911,734	33	686,498	34	661,104	34	44,424
<b>Grantmaking-nonoperating trusts</b>								
<b>Total.....</b>	<b>2,412</b>	<b>2,573,366</b>	<b>2,155</b>	<b>2,092,592</b>	<b>2,412</b>	<b>2,029,422</b>	<b>2,408</b>	<b>124,553</b>
Zero or unreported.....	--	--	--	--	--	--	*17	*130
\$1 under \$100,000.....	851	32,774	690	25,423	851	29,548	830	1,623
\$100,000 under \$1,000,000.....	1,081	410,037	992	339,170	1,081	345,612	1,081	20,021
\$1,000,000 under \$10,000,000.....	447	1,236,642	441	1,047,328	447	999,939	447	59,112
\$10,000,000 or more.....	33	893,914	32	680,672	33	654,322	33	43,667
<b>Grantmaking-operating trusts</b>								
<b>Total.....</b>	<b>*19</b>	<b>*26,369</b>	<b>*13</b>	<b>*9,299</b>	<b>*19</b>	<b>*15,062</b>	<b>*19</b>	<b>*939</b>
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*3	*14	--	--	*3	*14	*3	*1
\$100,000 under \$1,000,000.....	*12	*2,716	*10	*2,344	*12	*2,437	*12	*112
\$1,000,000 under \$10,000,000.....	2	5,818	2	1,128	2	5,830	2	69
\$10,000,000 or more.....	1	17,820	1	5,827	1	6,782	1	757

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 2.--Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of fair market value of total assets	Distributable amount		Qualifying distributions		Undistributed income for 1989		Excess distributions carryover to 1990	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>ALL CHARITABLE TRUSTS</b>								
Total.....	2,526	121,412	2,544	156,085	520	18,669	2,027	164,268
Zero or unreported.....	*17	*127	*17	*3,887	--	--	*14	*172
\$1 under \$100,000.....	879	1,839	896	4,690	159	179	744	14,603
\$100,000 under \$1,000,000.....	1,123	19,983	1,130	29,378	250	2,816	873	36,986
\$1,000,000 under \$10,000,000.....	472	59,007	465	64,956	103	9,384	368	62,020
\$10,000,000 or more.....	35	40,656	36	53,175	7	6,289	28	50,487
<b>Nonoperating trusts</b>								
Total.....	2,526	121,412	2,519	153,065	520	18,669	2,027	164,268
Zero or unreported.....	*17	*127	*17	*3,887	--	--	*14	*172
\$1 under \$100,000.....	879	1,839	893	4,666	159	179	744	14,603
\$100,000 under \$1,000,000.....	1,123	19,983	1,115	29,087	250	2,816	873	36,986
\$1,000,000 under \$10,000,000.....	472	59,007	460	63,807	103	9,384	368	62,020
\$10,000,000 or more.....	35	40,656	34	51,618	7	6,289	28	50,487
<b>Operating trusts</b>								
Total.....	N/A	N/A	25	3,021	N/A	N/A	N/A	N/A
Zero or unreported.....	N/A	N/A	--	--	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	N/A	N/A	*3	*23	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	N/A	N/A	*14	*291	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	N/A	N/A	5	1,149	N/A	N/A	N/A	N/A
\$10,000,000 or more.....	N/A	N/A	2	1,557	N/A	N/A	N/A	N/A
<b>GRANTMAKING CHARITABLE TRUSTS</b>								
Total.....	2,408	117,184	2,448	149,816	438	16,336	1,985	145,486
Zero or unreported.....	*17	*127	*17	*3,887	--	--	*14	*172
\$1 under \$100,000.....	830	1,578	854	4,686	131	148	720	14,564
\$100,000 under \$1,000,000.....	1,081	19,285	1,093	29,086	219	2,360	862	36,741
\$1,000,000 under \$10,000,000.....	447	56,517	449	62,772	82	8,308	363	54,682
\$10,000,000 or more.....	33	39,677	34	49,385	6	5,520	27	39,327
<b>Grantmaking-nonoperating trusts</b>								
Total.....	2,408	117,184	2,429	148,050	438	16,336	1,985	145,486
Zero or unreported.....	*17	*127	*17	*3,887	--	--	*14	*172
\$1 under \$100,000.....	830	1,578	851	4,663	131	148	720	14,564
\$100,000 under \$1,000,000.....	1,081	19,285	1,081	28,890	219	2,360	862	36,741
\$1,000,000 under \$10,000,000.....	447	56,517	447	62,700	82	8,308	363	54,682
\$10,000,000 or more.....	33	39,677	33	47,911	6	5,520	27	39,327
<b>Grantmaking-operating trusts</b>								
Total.....	N/A	N/A	*19	*1,765	N/A	N/A	N/A	N/A
Zero or unreported.....	N/A	N/A	--	--	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	N/A	N/A	*3	*23	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	N/A	N/A	*12	*196	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	N/A	N/A	2	72	N/A	N/A	N/A	N/A
\$10,000,000 or more.....	N/A	N/A	1	1,474	N/A	N/A	N/A	N/A

N/A - not applicable

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

<sup>1</sup> The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that charitable trusts actually disbursed for charitable purposes for 1989 using the cash receipts and disbursements method of accounting. This figure differs somewhat from that reported as contributions, gifts, and grants paid in the income statement of Table 4. When reporting the amount used in the income statement, or per the books, charitable trusts have the option of using either the cash receipts and disbursements or the accrual method of accounting. This difference in reporting method, therefore, accounts for the difference in the amount of contributions, gifts, and grants paid as reported in Tables 2 and 4.

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



# Private Foundations and Charitable Trusts, 1989

**Table 3.—All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets**

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

Item	Total	Size of fair market value of total assets			
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	38,773	946	14,352	14,799	7,049
<b>Total assets (book value).....</b>	<b>116,202,994</b>	<b>*62,466</b>	<b>478,009</b>	<b>4,982,084</b>	<b>18,081,031</b>
Cash, total.....	13,496,423	*48,822	249,857	1,525,192	3,379,093
Non-interest bearing accounts.....	1,230,791	*35	64,128	267,955	438,837
Savings and temporary cash investments.....	12,265,632	*48,787	185,729	1,257,237	2,940,256
Accounts receivable, net.....	618,639	--	4,026	23,786	89,578
Pledges receivable, net.....	130,630	--	--	*27,194	26,272
Grants receivable.....	47,059	--	--	*5,516	*15,028
Receivables due from disqualified persons.....	118,490	--	*3,023	*5,909	45,763
Other notes and loans receivable.....	891,024	*38	5,070	96,497	230,948
Inventories.....	83,416	--	*1,247	*12,909	4,715
Prepaid expenses and deferred charges.....	111,387	*6,000	945	6,728	14,980
Investments (non-cash), total.....	96,814,483	*5,655	194,997	3,060,828	13,389,373
Securities.....	89,777,246	*5,655	181,817	2,767,526	12,398,927
Land, buildings and equipment (less accumulated depreciation).....	2,410,339	--	*2,739	101,776	369,134
Mortgage loans.....	449,201	--	*3,799	60,093	155,064
Other investments.....	4,177,697	--	6,643	131,433	466,247
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	2,212,993	--	8,711	161,778	609,068
Other assets.....	1,878,447	*1,950	8,132	55,745	276,212
<b>Total liabilities.....</b>	<b>4,360,399</b>	<b>105,924</b>	<b>41,906</b>	<b>102,469</b>	<b>561,353</b>
<b>Net worth.....</b>	<b>111,842,594</b>	<b>-43,458</b>	<b>434,103</b>	<b>4,879,614</b>	<b>17,519,678</b>
<b>Total revenue.....</b>	<b>19,916,920</b>	<b>136,027</b>	<b>330,392</b>	<b>1,272,296</b>	<b>4,165,432</b>
Contributions, gifts and grants received.....	6,936,870	135,100	276,419	783,946	2,125,079
Interest on savings and temporary cash investments.....	1,455,676	843	17,079	124,108	321,298
Dividends and interest from securities.....	5,969,519	*272	13,855	220,056	864,010
Gross rents.....	203,827	--	*1,044	13,018	54,004
Net gain (less loss) from sale of assets.....	4,738,242	*419	10,765	128,612	662,770
Gross profit (less loss) from business activities.....	64,602	--	2,340	4,009	12,369
Other income.....	548,179	*230	8,889	18,545	125,899
<b>Total expenses.....</b>	<b>10,734,604</b>	<b>159,420</b>	<b>343,434</b>	<b>885,351</b>	<b>2,141,205</b>
Contributions, gifts and grants paid.....	8,481,867	156,866	285,936	701,678	1,688,000
Compensation of officers.....	217,404	*455	4,099	16,213	51,349
Other salaries and wages.....	420,678	*53	9,023	46,828	78,374
Pension plans and employee benefits.....	110,998	--	714	4,060	11,586
Legal fees.....	67,323	528	1,907	9,415	18,448
Accounting fees.....	53,484	375	3,499	10,297	17,619
Other professional fees.....	304,809	*117	5,564	11,253	48,250
Interest.....	52,659	*1	298	4,216	19,761
Taxes.....	221,145	83	1,600	13,538	42,083
Depreciation and depletion.....	103,465	--	849	6,732	22,994
Occupancy.....	121,679	*192	3,778	14,163	22,237
Travel, conferences and meetings.....	58,529	*50	4,669	3,452	8,140
Printing and publications.....	32,780	28	3,170	1,928	5,419
Other expenses.....	487,779	670	18,327	41,575	106,944
<b>Excess of revenue (less loss) over expenses.....</b>	<b>9,182,315</b>	<b>-23,392</b>	<b>-13,043</b>	<b>386,945</b>	<b>2,024,226</b>
Excess of revenue.....	10,344,434	*46	66,407	567,730	2,300,422
Loss.....	1,162,120	23,438	79,450	180,785	276,196
<b>Total assets (fair market value).....</b>	<b>151,694,261</b>	<b>--</b>	<b>455,836</b>	<b>5,500,624</b>	<b>21,242,040</b>
Cash, total.....	13,464,610	--	249,685	1,528,516	3,383,919
Non-interest bearing accounts.....	1,239,869	--	63,947	274,118	441,780
Savings and temporary cash investments.....	12,224,741	--	185,738	1,254,398	2,942,139
Accounts receivable, net.....	635,050	--	4,026	23,623	99,955
Pledges receivable, net.....	130,151	--	--	*27,194	*25,344
Grants receivable.....	47,059	--	--	*5,516	*15,028
Receivables due from disqualified persons.....	128,346	--	*2,672	*5,909	54,941
Other notes and loans receivable.....	952,477	--	5,070	95,910	229,007
Inventories.....	84,253	--	*881	*13,867	4,720
Prepaid expenses and deferred charges.....	152,162	--	937	7,261	14,949
Investments (non-cash), total.....	130,420,912	--	173,772	3,547,169	16,255,286
Securities.....	121,393,974	--	160,407	3,207,334	15,067,879
Land, buildings and equipment (less accumulated depreciation).....	3,296,273	--	*2,456	123,002	510,337
Mortgage loans.....	458,691	--	*3,157	60,093	169,339
Other investments.....	5,271,974	--	7,752	156,740	507,731
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	2,856,022	--	9,254	178,049	800,900
Other assets.....	2,823,217	--	9,539	67,609	357,991
<b>Total beginning-of-year assets (book value).....</b>	<b>105,953,876</b>	<b>29,031</b>	<b>496,440</b>	<b>4,605,854</b>	<b>16,112,783</b>
<b>Investments in securities, beginning of year (book value).....</b>	<b>81,164,570</b>	<b>*14,285</b>	<b>202,409</b>	<b>2,515,179</b>	<b>10,971,214</b>

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 3.—All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets—Continued**

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

Item	Size of fair market value of total assets—Continued			
	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(6)	(7)	(8)	(9)
Number of returns.....	912	329	196	189
<b>Total assets (book value).....</b>	<b>11,650,413</b>	<b>9,868,966</b>	<b>11,275,587</b>	<b>60,006,437</b>
Cash, total.....	1,461,366	1,127,027	1,178,664	4,528,402
Non-interest bearing accounts.....	129,902	113,559	43,606	172,869
Savings and temporary cash investments.....	1,331,564	1,013,468	1,133,058	4,355,533
Accounts receivable, net.....	38,938	42,985	30,707	388,919
Pledges receivable, net.....	11,955	53,323	11,366	520
Grants receivable.....	17,392	6,466	-	2,658
Receivables due from disqualified persons.....	3,624	39,041	20,559	570
Other notes and loans receivable.....	106,714	124,825	71,327	255,605
Inventories.....	9,505	43,647	8,080	3,312
Prepaid expenses and deferred charges.....	29,260	5,497	4,918	44,058
Investments (non-cash), total.....	9,524,751	7,849,777	9,482,607	53,306,294
Securities.....	8,855,268	7,425,401	8,909,752	49,232,899
Land, buildings and equipment (less accumulated depreciation).....	146,485	187,538	163,394	1,439,262
Mortgage loans.....	59,990	44,061	50,311	75,883
Other investments.....	462,997	192,777	359,351	2,558,250
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	326,499	253,117	309,378	544,442
Other assets.....	121,708	123,260	159,781	931,658
<b>Total liabilities.....</b>	<b>258,224</b>	<b>481,660</b>	<b>224,159</b>	<b>2,584,703</b>
<b>Net worth.....</b>	<b>11,392,189</b>	<b>9,187,306</b>	<b>11,051,427</b>	<b>57,421,734</b>
<b>Total revenue.....</b>	<b>2,240,661</b>	<b>1,676,996</b>	<b>1,821,957</b>	<b>8,273,159</b>
Contributions, gifts and grants received.....	927,043	612,788	434,364	1,662,130
Interest on savings and temporary cash investments.....	183,638	138,579	138,758	531,373
Dividends and interest from securities.....	601,816	479,026	600,991	3,189,493
Gross rents.....	21,912	25,792	8,302	79,755
Net gain (less loss) from sale of assets.....	418,521	343,714	571,892	2,602,386
Gross profit (less loss) from business activities.....	18,368	11,088	14,352	2,075
Other income.....	69,361	66,010	53,298	205,946
<b>Total expenses.....</b>	<b>1,182,517</b>	<b>934,125</b>	<b>879,903</b>	<b>4,208,649</b>
Contributions, gifts and grants paid.....	928,758	712,869	659,842	3,348,118
Compensation of officers.....	29,105	23,751	22,521	69,909
Other salaries and wages.....	46,038	42,671	41,597	156,093
Pension plans and employee benefits.....	9,156	9,252	10,238	65,991
Legal fees.....	5,914	5,443	6,388	19,279
Accounting fees.....	6,414	4,850	4,288	6,343
Other professional fees.....	33,610	27,272	31,700	147,043
Interest.....	2,996	14,522	1,859	9,006
Taxes.....	27,083	18,801	21,925	96,022
Depreciation and depletion.....	17,863	14,657	12,992	27,377
Occupancy.....	12,290	10,914	9,736	48,369
Travel, conferences and meetings.....	4,830	2,721	4,503	30,163
Printing and publications.....	3,195	1,300	3,939	13,800
Other expenses.....	55,253	45,300	48,575	171,134
<b>Excess of revenue (less loss) over expenses.....</b>	<b>1,058,143</b>	<b>742,871</b>	<b>942,054</b>	<b>4,064,510</b>
Excess of revenue.....	1,168,050	847,613	989,107	4,405,059
Loss.....	109,906	104,742	47,053	340,549
<b>Total assets (fair market value).....</b>	<b>14,086,317</b>	<b>11,554,315</b>	<b>13,815,696</b>	<b>85,239,432</b>
Cash, total.....	1,464,713	1,128,820	1,174,736	4,534,221
Non-interest bearing accounts.....	127,744	113,058	42,953	176,269
Savings and temporary cash investments.....	1,336,968	1,015,762	1,131,783	4,357,952
Accounts receivable, net.....	42,213	43,425	32,892	388,915
Pledges receivable, net.....	11,955	53,323	11,814	520
Grants receivable.....	17,392	6,466	-	2,658
Receivables due from disqualified persons.....	4,654	39,041	20,559	570
Other notes and loans receivable.....	107,365	120,352	71,295	323,478
Inventories.....	9,504	43,647	8,080	3,553
Prepaid expenses and deferred charges.....	14,524	5,542	4,702	104,248
Investments (non-cash), total.....	11,818,869	9,826,317	11,785,351	77,214,149
Securities.....	11,029,294	8,997,526	10,931,558	71,999,978
Land, buildings and equipment (less accumulated depreciation).....	211,280	333,132	318,579	1,797,487
Mortgage loans.....	54,512	44,076	50,280	77,233
Other investments.....	523,783	251,583	484,935	3,339,450
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	457,306	354,461	333,533	722,519
Other assets.....	137,822	132,919	172,735	1,944,602
<b>Total beginning-of-year assets (book value).....</b>	<b>10,506,034</b>	<b>8,840,285</b>	<b>10,204,143</b>	<b>55,159,307</b>
<b>Investments in securities, beginning of year (book value).....</b>	<b>7,860,378</b>	<b>6,506,320</b>	<b>8,108,914</b>	<b>44,985,871</b>

\*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 totals because of rounding.

# Private Foundations and Charitable Trusts, 1989

**Table 4.—All Internal Revenue Code Section 4947(a)(1) Charitable Trusts Treated as Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets**

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

Item	Total	Size of fair market value of total assets			
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	2,634	*21	942	1,155	478
<b>Total assets (book value).....</b>	<b>2,267,350</b>	<b>--</b>	<b>30,869</b>	<b>374,843</b>	<b>1,090,623</b>
Cash, total.....	270,200	--	4,977	46,071	128,106
Non-interest bearing accounts.....	31,108	--	1,451	7,294	18,380
Savings and temporary cash investments.....	239,096	--	3,526	38,778	109,726
Accounts receivable, net.....	6,607	--	--	*5,630	949
Pledges receivable, net.....	*58	--	--	--	58
Grants receivable.....	--	--	--	--	--
Receivables due from disqualified persons.....	*575	--	*69	*428	78
Other notes and loans receivable.....	5,672	--	*383	1,597	3,179
Inventories.....	*11,688	--	--	*128	--
Prepaid expenses and deferred charges.....	240	--	*23	*34	45
Investments (non-cash), total.....	1,905,618	--	23,763	309,788	937,905
Securities.....	1,722,125	--	23,337	291,791	885,374
Land, buildings and equipment (less accumulated depreciation).....	19,675	--	--	6,105	7,067
Mortgage loans.....	16,517	--	*18	1,884	6,639
Other investments.....	147,301	--	*410	10,008	38,824
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	31,487	--	--	5,318	12,261
Other assets.....	35,244	--	1,652	5,848	8,041
<b>Total liabilities.....</b>	<b>13,754</b>	<b>--</b>	<b>45</b>	<b>5,493</b>	<b>3,857</b>
<b>Net worth.....</b>	<b>2,253,596</b>	<b>--</b>	<b>30,823</b>	<b>369,350</b>	<b>1,086,766</b>
<b>Total revenue.....</b>	<b>404,571</b>	<b>*3,783</b>	<b>4,299</b>	<b>56,682</b>	<b>204,232</b>
Contributions, gifts and grants received.....	86,254	*3,633	1,071	8,443	49,800
Interest on savings and temporary cash investments.....	29,589	*12	643	4,393	12,462
Dividends and interest from securities.....	127,828	*112	1,733	22,584	64,215
Gross rents.....	6,464	--	*55	1,510	2,628
Net gain (less loss) from sale of assets.....	132,869	*27	361	12,915	70,321
Gross profit (less loss) from business activities.....	*48	--	*30	--	44
Other income.....	21,518	--	407	6,836	4,762
<b>Total expenses.....</b>	<b>184,191</b>	<b>*3,910</b>	<b>5,627</b>	<b>39,247</b>	<b>75,633</b>
Contributions, gifts and grants paid.....	143,547	*3,885	4,859	27,113	60,654
Compensation of officers.....	13,894	*21	396	3,350	6,565
Other salaries and wages.....	3,328	--	--	*2,705	440
Pension plans and employee benefits.....	876	--	--	*799	52
Legal fees.....	1,483	*3	19	312	826
Accounting fees.....	1,423	*1	128	423	614
Other professional fees.....	3,078	--	53	1,004	714
Interest.....	427	--	*30	89	166
Taxes.....	4,885	--	45	924	2,113
Depreciation and depletion.....	847	--	*1	262	463
Occupancy.....	668	--	*39	*136	337
Travel, conferences and meetings.....	284	--	--	*90	43
Printing and publications.....	153	--	11	122	15
Other expenses.....	9,317	--	47	1,917	2,632
<b>Excess of revenue (less loss) over expenses.....</b>	<b>220,380</b>	<b>*-127</b>	<b>-1,328</b>	<b>17,435</b>	<b>128,598</b>
Excess of revenue.....	235,295	*4	1,052	21,856	133,115
Loss.....	14,915	*131	2,381	4,221	4,517
<b>Total assets (fair market value).....</b>	<b>2,888,063</b>	<b>--</b>	<b>34,229</b>	<b>440,615</b>	<b>1,338,228</b>
Cash, total.....	270,264	--	5,047	46,094	128,077
Non-interest bearing accounts.....	31,124	--	1,520	7,253	18,370
Savings and temporary cash investments.....	239,140	--	3,527	38,841	109,707
Accounts receivable, net.....	6,629	--	--	*5,802	800
Pledges receivable, net.....	*58	--	--	--	58
Grants receivable.....	--	--	--	--	--
Receivables due from disqualified persons.....	*598	--	*97	*423	78
Other notes and loans receivable.....	5,670	--	*383	1,597	3,177
Inventories.....	*18,172	--	--	*128	--
Prepaid expenses and deferred charges.....	1,588	--	*23	*34	1,387
Investments (non-cash), total.....	2,455,900	--	28,808	372,472	1,179,753
Securities.....	2,233,339	--	28,397	361,296	1,110,143
Land, buildings and equipment (less accumulated depreciation).....	47,881	--	--	8,319	18,493
Mortgage loans.....	16,214	--	*18	1,861	6,681
Other investments.....	158,466	--	*393	10,997	44,435
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	47,108	--	--	7,681	15,679
Other assets.....	82,075	--	1,872	6,384	9,219
<b>Total beginning-of-year assets (book value).....</b>	<b>2,021,071</b>	<b>*175</b>	<b>31,133</b>	<b>355,124</b>	<b>949,484</b>
<b>Investments in securities, beginning of year (book value).....</b>	<b>1,537,629</b>	<b>*168</b>	<b>22,932</b>	<b>273,680</b>	<b>749,053</b>

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1989

**Table 4.—All Internal Revenue Code Section 4947(a)(1) Charitable Trusts Treated as Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets—Continued**

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

Item	Size of fair market value of total assets—Continued			
	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(6)	(7)	(8)	(9)
Number of returns.....	26	5	6	1
<b>Total assets (book value).....</b>	<b>313,297</b>	<b>106,614</b>	<b>239,400</b>	<b>109,704</b>
Cash, total.....	38,877	10,246	19,533	22,389
Non-interest bearing accounts.....	2,923	2	1,056	—
Savings and temporary cash investments.....	35,954	10,244	18,477	22,389
Accounts receivable, net.....	27	—	—	—
Pledges receivable, net.....	—	—	—	—
Grants receivable.....	—	—	—	—
Receivables due from disqualified persons.....	—	—	—	—
Other notes and loans receivable.....	487	—	25	—
Inventories.....	11,540	—	—	—
Prepaid expenses and deferred charges.....	133	—	4	—
Investments (non-cash), total.....	247,996	98,365	200,486	87,315
Securities.....	218,545	95,744	122,937	84,395
Land, buildings and equipment (less accumulated depreciation).....	3,558	2,621	—	324
Mortgage loans.....	5,383	—	—	2,596
Other investments.....	20,510	—	77,549	—
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	13,853	3	32	—
Other assets.....	383	—	19,319	—
<b>Total liabilities.....</b>	<b>2,757</b>	<b>74</b>	<b>308</b>	<b>1,219</b>
<b>Net worth.....</b>	<b>310,540</b>	<b>106,540</b>	<b>239,092</b>	<b>108,485</b>
<b>Total revenue.....</b>	<b>57,874</b>	<b>15,098</b>	<b>28,085</b>	<b>34,520</b>
Contributions, gifts and grants received.....	21,813	1,460	—	35
Interest on savings and temporary cash investments.....	3,474	336	6,166	2,104
Dividends and interest from securities.....	17,143	8,262	8,892	4,888
Gross rents.....	1,311	920	—	40
Net gain (less loss) from sale of assets.....	8,907	4,112	8,773	27,454
Gross profit (less loss) from business activities.....	—	—	-26	—
Other income.....	5,226	8	4,280	—
<b>Total expenses.....</b>	<b>27,546</b>	<b>10,847</b>	<b>13,637</b>	<b>7,743</b>
Contributions, gifts and grants paid.....	19,334	9,215	11,540	6,946
Compensation of officers.....	2,192	728	334	310
Other salaries and wages.....	91	37	54	—
Pension plans and employee benefits.....	14	2	9	—
Legal fees.....	249	11	64	—
Accounting fees.....	185	19	53	—
Other professional fees.....	458	128	700	22
Interest.....	21	—	—	122
Taxes.....	836	123	532	313
Depreciation and depletion.....	77	24	6	14
Occupancy.....	90	1	68	—
Travel, conferences and meetings.....	58	3	70	—
Printing and publications.....	2	3	—	—
Other expenses.....	3,940	554	209	18
<b>Excess of revenue (less loss) over expenses.....</b>	<b>30,328</b>	<b>4,251</b>	<b>14,447</b>	<b>26,777</b>
Excess of revenue.....	32,018	6,227	14,447	26,777
Loss.....	1,690	1,976	—	—
<b>Total assets (fair market value).....</b>	<b>404,982</b>	<b>148,399</b>	<b>401,111</b>	<b>120,499</b>
Cash, total.....	38,877	10,246	19,533	22,389
Non-interest bearing accounts.....	2,923	2	1,056	—
Savings and temporary cash investments.....	35,954	10,244	18,477	22,389
Accounts receivable, net.....	27	—	—	—
Pledges receivable, net.....	—	—	—	—
Grants receivable.....	—	—	—	—
Receivables due from disqualified persons.....	—	—	—	—
Other notes and loans receivable.....	487	—	25	—
Inventories.....	18,044	—	—	—
Prepaid expenses and deferred charges.....	139	—	4	—
Investments (non-cash), total.....	323,250	138,150	317,359	98,110
Securities.....	284,386	130,135	236,195	94,787
Land, buildings and equipment (less accumulated depreciation).....	12,327	8,015	—	727
Mortgage loans.....	5,061	—	—	2,596
Other investments.....	21,477	—	81,163	—
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	23,714	3	32	—
Other assets.....	443	—	64,158	—
<b>Total beginning-of-year assets (book value).....</b>	<b>281,515</b>	<b>99,462</b>	<b>224,608</b>	<b>79,571</b>
<b>Investments in securities, beginning of year (book value).....</b>	<b>215,272</b>	<b>89,736</b>	<b>115,525</b>	<b>71,263</b>

\*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 totals because of rounding.

# Environmental Excise Taxes, 1990

by Susan J. Mahler

**F**or 1990, environmental excise taxes (before adjustments and credits) amounted to \$1.11 billion, an increase of 31 percent from the previous year's total of \$0.85 billion. This increase was due almost entirely to the addition of the new Oil Spill Liability Trust Fund tax on petroleum. Of the \$1.11 billion reported in tax, 24 percent was attributable to the Oil Spill Liability Trust Fund tax, while the remaining 76 percent was credited to the Hazardous Substance Trust Fund, or Superfund. This was the first year for which taxes to support these environmental trust funds together exceeded \$1 billion [1]. Data on ozone-depleting chemical taxes, which are also environmental excise taxes, are not included in these statistics, nor are they presented in this article.

## Background

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) provided for a 5-year Federal program to clean up the worst abandoned hazardous substance and waste sites in the country. Funds were to be accumulated through the Hazardous Substance Trust Fund, commonly known as the Superfund. Expenditures of the amount appropriated or collected were to be used primarily to pay for the costs of responding to the presence of hazardous substances and the payment of claims for injury or destruction or loss of natural resources controlled by Federal or State Governments. The goal was to collect \$1.4 billion from

April 1981 through September 1985. Environmental excise taxes were imposed on domestic crude oil used in, or exported from, the United States, imported crude oil and petroleum products, petrochemicals and inorganic chemicals. The tax rates reflect the percentages at which each substance was found in hazardous waste sites.

By the time CERCLA expired in September 1985, \$1.2 billion of the \$1.4 billion goal for environmental excise taxes had been reported. It became clear to Congress that the tax reported under CERCLA was insufficient to meet program needs. In response, Congress extended and amended CERCLA by enacting the Superfund Amendments and Reauthorization Act of 1986 (SARA), and re-

established the Superfund, effective January 1, 1987, through December 31, 1991. The Omnibus Budget Reconciliation Act of 1990 subsequently extended environmental excise taxes and the Superfund through December 31, 1995.

The purpose of SARA, as with CERCLA, was to fund the response to, and clean-up of, hazardous substance emergencies and abandoned uncontrolled hazardous waste sites. In order to ensure that enough monies were available to meet program needs, financial goals were set. Approximately \$6.7 billion was to be raised through taxes, including \$4.1 billion from environmental excise taxes over a 5-year period beginning January 1, 1987 [2]. By the end of 1990, \$3.3 billion, or 80 percent, of the planned \$4.1 billion was reported.

The Oil Spill Liability Trust Fund tax on petroleum was established in accordance with Public Law 101-239, effective after December 31, 1989, and before January 1, 1995. The purpose of this Fund is to prevent and clean up oil spills, as well as to compensate individuals for damages caused by oil spills. As with the Superfund taxes, Oil Spill taxes are due quarterly. By the end of 1990, about \$0.27 billion had been accumulated in the Fund.

## Taxes Reported for 1990

Tax liabilities attributable to petroleum (both imported and domestic) accounted for almost three-fourths of the combined Superfund and Oil Spill taxes reported for 1990. The large share of petroleum tax liabilities reflect the higher tax rates enacted under SARA. Prior to the enactment of SARA, tax attributable to petroleum accounted for only 15 percent of total Superfund tax liabilities. For 1990, petrochemical, inorganic chemical and imported chemical substance tax liabilities together comprised the remaining one-fourth of total environmental excise taxes (Figure A). Between 1989 and 1990, taxes attributable to petrochemicals and inorganic chemicals declined as a percentage of total tax liabilities by 5 percent and 2 percent, respectively. Imported chemical substance taxes as a percentage of total tax remained unchanged.

Of the 754 taxpayers with an environmental excise tax liability, the average tax was \$1.5 million. Forty-one percent of the filers reported an inorganic chemical tax; however, these liabilities accounted for only 4 percent of the total tax (Figure B).

Reported tax liabilities on petrochemicals, imported chemical substances and petroleum increased from 1989 by 8 percent, 25 percent and 43 percent, respectively. The only category that declined was inorganic chemical taxes, which fell by 2 percent. Nearly 75 percent of the total

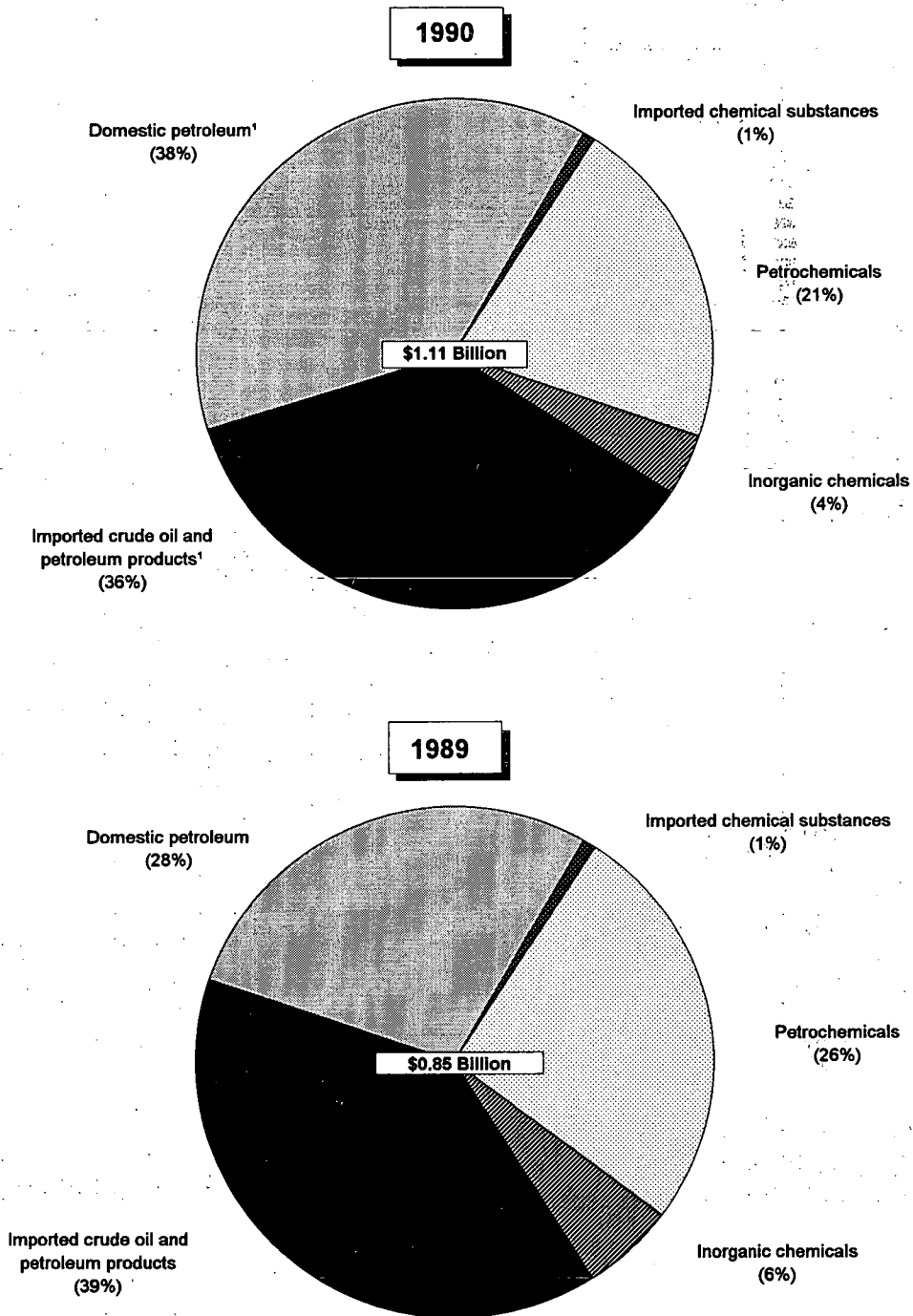
**Tax was reported by 754 businesses. The petroleum tax accounted for three-fourths of the total.**

*Susan J. Mahler is an economist with the Foreign Special Projects Section. This article was prepared under the direction of Michael Alexander, Chief.*

# Environmental Excise Taxes, 1990

Figure A

## Sources of Environmental Excise Taxes Before Adjustments and Credits, 1989 and 1990



<sup>1</sup> Includes the Oil Spill Liability Trust Fund tax on petroleum, which began on January 1, 1990.

# Environmental Excise Taxes, 1990

**Figure B**

## Number of Businesses and Environmental Excise Taxes Before Adjustments and Credits, 1990

[Money amounts are in thousands of dollars]

Type of tax	Number of businesses reporting environmental excise tax <sup>1</sup>	Tax before adjustments and credits	
		Total tax	Average tax
	(1)	(2)	(3)
<b>Total environmental excise tax</b> .....	<b>764</b>	<b>1,111,187</b>	<b>1,474</b>
<b>Tax on:</b>			
Total petroleum.....	n.a.	815,215	1,094
Domestic petroleum, Superfund.....	139	278,832	2,006
Domestic petroleum, Oil Spill Liability Trust Fund.....	133	138,882	1,044
Imported crude oil and petroleum products, Superfund.....	242	266,351	1,101
Imported crude oil and petroleum products, Oil Spill Liability Trust Fund.....	231	131,150	568
Petrochemicals.....	177	236,835	1,338
Inorganic chemicals.....	307	49,428	161
Imported chemical substances.....	88	9,708	110

<sup>1</sup>Number of businesses do not add to total because businesses could report a tax on more than one type of substance.

n.a. - Not available.

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

environmental excise tax was attributable to taxes on domestic and imported crude oil and petroleum products, up from 67 percent for 1989. Only 1 percent of the total tax was due to imported chemical substances (Figure C).

The top 15 companies reporting the largest amounts of environmental tax for 1990 were responsible for more than half of the total environmental excise taxes after adjustments and credits (defined below). The top five companies, alone, reported \$305 million in adjusted tax liabilities, nearly 30 percent of the total tax.

### Petroleum

An excise tax liability is incurred by operators of U.S. refineries that receive crude oil, persons importing petroleum products for consumption or warehousing and persons using or exporting crude oil on which the tax has

not been paid. The Superfund financing rate is \$0.097 per barrel of petroleum, and the Oil Spill Liability Trust Fund financing rate is \$0.05 per barrel. Thus, the combined rate for petroleum is \$0.147 per barrel.

For 1990, tax liabilities on petroleum (both imported and domestic) associated with the Oil Spill Fund amounted to \$270 million and accounted for almost 25 percent of the total environmental excise tax before adjustments and credits; Superfund petroleum tax amounted to \$545 million and accounted for almost 50 percent of the total tax. Together, Superfund and Oil Spill Fund petroleum liabilities accounted for nearly 75 percent of the total tax (Table 1).

The combined total petroleum taxes were \$815.2 million for 1990. Of this total, \$545.2 million (67 percent) was Superfund tax and \$270.0 million (33 percent) was

**Figure C**

## Environmental Excise Taxes Before Adjustments and Credits, by Type of Substance, for Quarters Ended March 1990 through December 1990

[Money amounts are in millions of dollars]

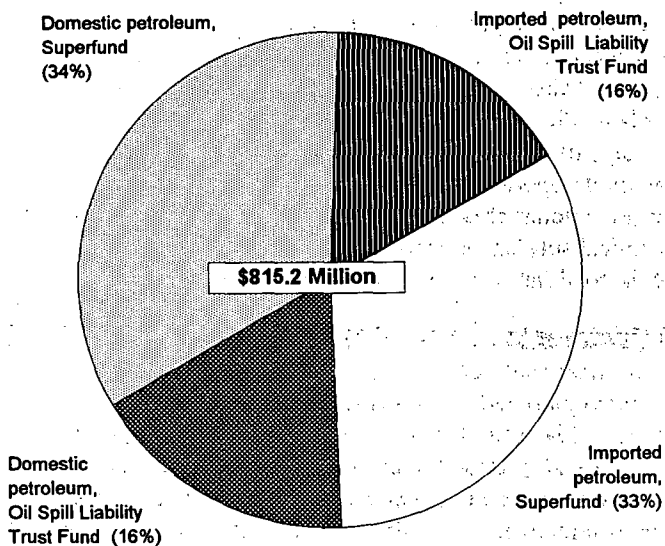
Quarter ended	Total	Domestic petroleum	Imported crude oil and petroleum products	Petrochemicals	Inorganic chemicals	Imported chemical substances
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All quarters</b> .....	<b>1,111.2</b>	<b>417.7</b>	<b>397.5</b>	<b>236.8</b>	<b>49.4</b>	<b>9.7</b>
March .....	259.6	90.7	97.0	56.8	12.6	2.6
June .....	283.1	103.1	105.8	60.1	11.7	2.4
September .....	291.5	112.1	104.5	59.6	12.6	2.7
December .....	277.0	111.9	90.2	60.3	12.5	2.1

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

# Environmental Excise Taxes, 1990

**Figure D**

## Petroleum Tax, by Type of Substance, 1990



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

Oil Spill Liability Trust Fund tax. Superfund petroleum tax declined by 4 percent from 1989. However, overall petroleum taxes (both Superfund and Oil Spill) increased by 43 percent from the \$570.5 million reported for 1989.

Taxes were approximately evenly divided between domestic and imported petroleum. Domestic petroleum, both Superfund and Oil Spill, accounted for 51 percent of total petroleum taxes, with imported petroleum accounting for the remainder (Figure D). For 1989, domestic petroleum tax liabilities made up only 42 percent of the total petroleum tax, with imported petroleum accounting for the other 58 percent. The increase in the share for domestic petroleum in 1990 is partly due to the equalization of tax rates effective December 12, 1989. The rate for domestic petroleum increased from \$0.082 to \$0.097 per barrel; the rate for imported petroleum was reduced from \$0.117 to \$0.097 per barrel.

### Petrochemicals

Almost one-fourth (24 percent) of the 754 companies reporting an environmental excise tax reported a tax for the use or sale of petrochemicals (Table 2). The tax accounted for 21 percent of total environmental excise taxes for 1990. Petrochemical tax liabilities for 1989 were

reported by 22 percent of the environmental excise tax filers, accounting for 26 percent of the total environmental excise tax liabilities. Thus, while the percentage of petrochemical tax filers increased from 1989 to 1990, the tax, as a percentage of total environmental excise tax liabilities, decreased.

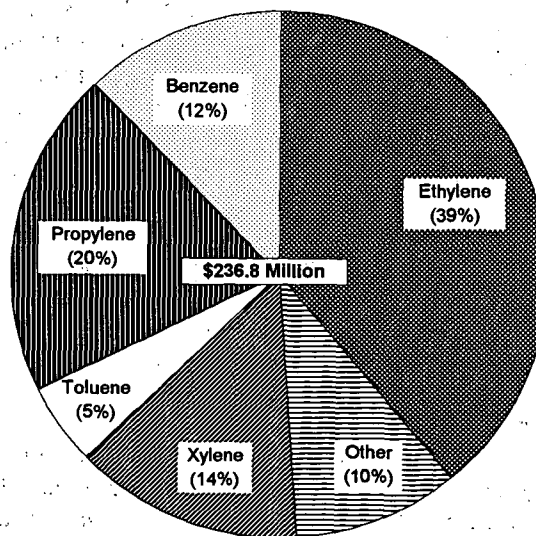
Of the eleven taxable petrochemicals, nine were taxed at a rate of \$4.87 per ton. Methane and xylene were taxed at a rate of \$3.44 and \$10.13 per ton, respectively. More than one-third (\$92.1 million) of the petrochemical tax liability was attributable to ethylene, a major by-product of petroleum refining and natural gas extraction. However, less than one quarter of the petrochemical tax filers reported a tax on ethylene. The most frequently reported petrochemical was toluene; however, it accounted for only 5 percent of the total petrochemical tax. The combined tax on benzene, ethylene, propylene and xylene accounted for most (85 percent) of the total tax on petrochemicals. The least frequently reported petrochemicals were naphthalene and butylene. Together, these chemicals accounted for only 1 percent of the total tax liabilities (Figure E).

### Inorganic Chemicals

A total of \$49.4 million in inorganic chemical taxes was reported by 307 taxpayers for 1990. Applicable tax rates ranged from \$0.22 to \$4.45 per ton. Although 41 percent

**Figure E**

## Petrochemical Tax, by Type of Substance, 1990

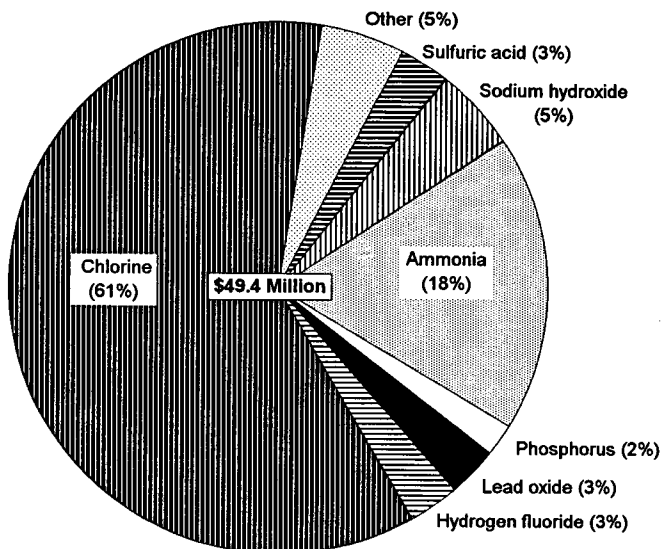




# Environmental Excise Taxes, 1990

**Figure F**

**Inorganic Chemical Tax, by Type of Substance, 1990**



of the businesses with an environmental excise tax reported a tax on inorganic chemicals, the total tax they reported accounted for only 4 percent of the total environmental tax for the year. The average inorganic chemical tax per business continued to fall for 1990, to \$161,000, dropping from \$175,000 for 1989 and \$185,000 for 1988.

Sulfuric acid was the most frequently reported inorganic chemical. Eighty-two businesses reported tax attributable to this inorganic chemical. The largest amount of tax was reported for chlorine (\$30.2 million), followed by ammonia (\$8.7 million). Tax associated with chlorine accounted for over 60 percent of all inorganic chemical tax liabilities; however, only 15 percent of the inorganic chemical tax filers reported a tax on chlorine. The largest average inorganic chemical tax was also attributable to chlorine, \$672,000 per filer. The tax associated with phosphorus provided the next largest average tax, \$175,000 per taxpayer. The least frequently reported chemical was barium sulfide. The combined tax on 7 of the 31 inorganic chemicals accounted for 95 percent of the total inorganic chemical tax (Figure F).

### Imported Chemical Substances

This is the second year (1990) that tax liabilities have been incurred by those businesses that sell or use certain imported chemical substances. Public Law 99-499 levied

an environmental excise tax, beginning January 1, 1989, on certain imported chemical substances not subject to the tax on petrochemicals and inorganic chemicals. A total of \$9.7 million in tax on imported chemical substances was reported by 88 businesses for 1990, compared to \$7.8 million in tax reported by 74 businesses for 1989. As a percentage of total environmental excise taxes, the tax on imported chemical substances represented only 1 percent for both 1989 and 1990.

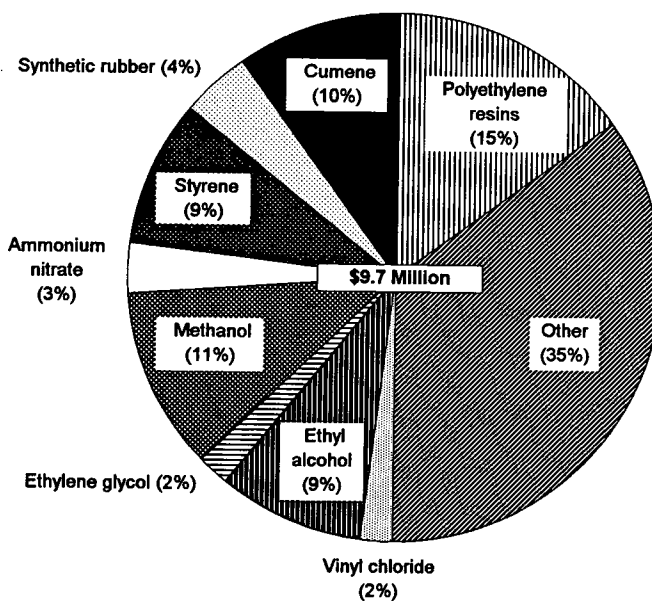
Polyethylene resins were again the most frequently reported imported substance and also accounted for the largest amount of tax, \$1.5 million for 1990. Five of the chemical substances accounted for over half (54 percent) of the total imported chemical substance tax (Figure G).

### Adjustments and Credits

A business could adjust, i.e., reduce, its gross tax by the amount computed on a chemical that was previously taxed and later used to manufacture or produce another substance also subject to an environmental excise tax, or by an amount computed on a chemical for a nontaxable use. Alternatively, a credit or refund was also allowed to the user for the tax previously paid on a chemical used for a nontaxable purpose, such as nitric acid, sulfuric acid or ammonia, which was used to produce fertilizer; methane used to produce ammonia; or a chemical used to produce

**Figure G**

**Imported Chemical Substance Tax, by Type of Substance, 1990**



## Environmental Excise Taxes, 1990

animal feed. Credits or refunds could also be claimed for taxes paid on crude oil removed from a pipeline and later returned to the same pipeline.

To realize an adjustment or credit, the taxpayer could reduce the current gross tax by: (1) claiming a credit for taxes previously paid, (2) paying the total but filing a claim for a refund of those taxes, or (3) crediting the previously paid tax toward the next quarter's tax, if no tax was currently due. The resulting adjustments and credits for 1990 represented less than 4 percent of the total excise tax liabilities. They totaled \$42.4 million and were reported by 58 businesses, so that the average adjustment claimed per business was \$732,000. In comparison, total adjustments for 1989 were \$13.4 million and were reported by 34 businesses. Tax liability for 1990 after adjustments totaled \$1.07 billion. (Because adjustments are made to the total tax reported by a business, tax after adjustments is not available by type of substance.)

### Summary

Gross environmental excise tax liabilities of \$1.11 billion were reported by 754 businesses for the calendar year which ended December 1990. Sixty-seven percent of the petroleum tax liability was attributable to the Superfund tax, while the remaining 33 percent was associated with the new Oil Spill Liability Trust Fund tax. The petroleum tax accounted for three-fourths of total environmental excise tax liabilities. Petrochemical, inorganic chemical and imported chemical substance taxes collectively comprised the remaining one-fourth. The top five companies for 1990 accounted for nearly 30 percent of the total tax.

### Data Sources and Limitations

The *Quarterly Federal Excise Tax Return*, Form 720, is the form on which environmental taxes are reported. Form 6627, *Environmental Taxes*, is the supporting schedule to Form 720, on which the tax liability for petroleum and chemicals is computed. Unaudited Form 6627 returns are the source of data used for the statistics in this study.

Excise tax returns are due to be filed with the Internal Revenue Service (IRS) within 1 month after the end of the quarter for which the business is liable for the tax. Data in this article reflect information reported on unaudited returns filed for the four tax quarters ending March 31, 1990, through December 31, 1990

IRS also releases environmental tax statistics in a separate report on excise taxes [3]. Data for that report are taken from the Form 720, rather than the attached Form

6627, and show tax collected, after adjustments, for returns as recorded in the computerized IRS Business Master File (BMF) as part of routine processing for tax administration. The data, however, are not classified by type of chemical, and, as explained below, are not directly comparable to the data reported in this article.

The tax for a given quarter, reflected in the BMF statistics from Form 720, represents the amount reported on returns processed *in* that quarter, regardless of when the tax liability was incurred. Conversely, for this article, taxes for a given quarter represent the amount reported on Form 6627 *for* the quarter in which the tax liability was incurred, regardless of when the return was processed. These statistics, based on Form 6627, also include amounts paid with returns filed after the original due date because of routine filing extensions and other reasons. For this study, the tax for these returns was included in the quarter in which the tax liability was incurred.

Since the data were compiled from the entire population of returns, the data presented here are not subject to sampling error but may be subject to nonsampling error. For example, although efforts were made to secure all returns, because of time and resource constraints, information for the same businesses from returns for prior quarters was used as the basis for estimating data for quarters during 1990, if the actual return for some or all of these quarters was unavailable for the statistics.

For tax years beginning after December 31, 1986, and before January 1, 1996, in addition to the excise taxes previously discussed, a corporation is also liable for an income tax surcharge equal to 0.12 percent of the amount in excess of \$2 million of "modified alternative minimum taxable income" for the year. Members of a controlled group of corporations were entitled to one \$2 million exemption. This tax is reported on a corporation income tax return in the Form 1120 series, and is not included in these statistics.

### Notes and References

- [1] For prior years, see Barnhardt, Janet, "Superfund for Environmental Taxes," *Statistics of Income Bulletin*, Fall 1982, Volume 2, Number 2; Belal, Rashida, "Superfund for Environmental Taxes, 1981 and 1982," *Statistics of Income Bulletin*, Fall 1983, Volume 3, Number 2; "Environmental Taxes, 1981-1983," *Statistics of Income Bulletin*, Spring 1985, Volume 4, Number 4; "Environmental Taxes, 1981-84," *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4; and "Superfund for Environmental Taxes, 1981-1985," *Statistics of Income*

## Environmental Excise Taxes, 1990

*Bulletin*, Spring 1987, Volume 6, Number 4; Koziolec, John, "Superfund for Environmental Taxes, 1987," *Statistics of Income Bulletin*, Fall 1989, Volume 9, Number 2; Mahler, Susan J., "Environmental Excise Taxes, 1988," *Statistics of Income Bulletin*, Fall 1990, Volume 10, Number 2; and "Environmental Excise Taxes, 1989," *Statistics of Income Bulletin*, Winter 1991-1992, Volume 11, Number 3.

- [2] Under SARA, additional monies were to be raised as follows: approximately \$2.5 billion by a corporate environmental income tax surcharge (see Data Sources and Limitations section for a description of the tax) and \$0.1 billion from an excise tax on imported chemical substances.
- [3] U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Report of Excise Taxes*, issued quarterly.

# Environmental Excise Taxes, 1990

**Table 1.—Environmental Excise Taxes Before Adjustments and Credits, by Type of Substance, Quarters Ended March 1990 through December 1990**

[Money amounts are in thousands of dollars]

Type of substance	Total	1990 quarter ended—			
		March	June	September	December
	(1)	(2)	(3)	(4)	(5)
<b>Total</b> .....	<b>1,111,187</b>	<b>259,644</b>	<b>283,082</b>	<b>291,500</b>	<b>276,961</b>
<b>Petroleum, total</b> .....	<b>815,215</b>	<b>187,690</b>	<b>208,889</b>	<b>216,568</b>	<b>202,068</b>
Domestic petroleum, Superfund.....	278,832	61,327	68,842	74,015	74,648
Domestic petroleum, Oil Spill Liability Trust Fund.....	138,882	29,343	34,261	38,061	37,216
Imported crude oil and petroleum products, Superfund.....	266,351	65,055	70,162	70,648	60,486
Imported crude oil and petroleum products, Oil Spill Liability Trust Fund.....	131,150	31,965	35,624	33,844	29,717
<b>Petrochemicals, total</b> .....	<b>236,835</b>	<b>56,762</b>	<b>60,127</b>	<b>59,626</b>	<b>60,320</b>
Acetylene .....	776	216	186	189	185
Benzene .....	29,138	7,078	7,109	7,859	7,092
Butadiene .....	8,849	2,416	2,102	2,248	2,083
Butane .....	3,304	209	1,470	824	801
Butylene .....	2,343	675	220	834	614
Ethylene .....	82,156	21,336	23,218	23,360	24,242
Methane .....	9,206	2,472	2,249	2,071	2,414
Naphthalene .....	115	21	60	20	15
Propylene .....	48,728	11,008	12,254	11,329	12,135
Toluene .....	11,458	2,606	2,478	3,784	2,590
Xylene .....	32,765	8,725	8,781	7,109	8,160
<b>Inorganic chemicals, total</b> .....	<b>49,428</b>	<b>12,627</b>	<b>11,692</b>	<b>12,636</b>	<b>12,473</b>
Ammonia .....	8,678	2,334	2,276	2,310	1,758
Antimony .....	38	14	7	9	7
Antimony trioxide .....	112	27	28	30	27
Arsenic .....	1	( <sup>1</sup> )	1	( <sup>1</sup> )	( <sup>1</sup> )
Arsenic trioxide .....	54	12	9	16	17
Barium sulfide .....	—	( <sup>1</sup> )	—	( <sup>1</sup> )	( <sup>1</sup> )
Bromine .....	619	103	117	204	195
Cadmium .....	8	2	2	1	3
Chlorine .....	30,226	7,580	6,837	7,718	8,090
Chromite .....	301	47	89	110	55
Chromium .....	93	22	45	14	11
Cobalt .....	28	6	7	7	8
Cupric oxide .....	45	13	12	10	11
Cupric sulphate .....	55	14	17	14	11
Cuprous oxide .....	22	6	6	4	6
Hydrochloric acid .....	250	62	71	66	51
Hydrogen fluoride .....	1,250	352	353	311	235
Lead oxide .....	1,561	448	290	351	472
Mercury .....	2	( <sup>1</sup> )	2	( <sup>1</sup> )	( <sup>1</sup> )
Nickel .....	467	126	114	107	120
Nitric acid .....	332	83	77	83	89
Phosphorus .....	1,222	379	381	224	237
Potassium dichromate .....	—	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Potassium hydroxide .....	78	18	21	19	21
Sodium dichromate .....	2	1	1	( <sup>1</sup> )	( <sup>1</sup> )
Sodium hydroxide .....	2,468	617	545	634	672
Stannic chloride .....	23	5	6	6	6
Stannous chloride .....	3	1	1	1	1
Sulfuric acid .....	1,430	340	363	373	355
Zinc chloride .....	42	12	9	11	11
Zinc sulfate .....	17	5	5	3	5

Footnotes at end of table.

# Environmental Excise Taxes, 1990

**Table 1.—Environmental Excise Taxes Before Adjustments and Credits, by Type of Substance, Quarters Ended March 1990 through December 1990—Continued**

[Money amounts are in thousands of dollars]

Type of substance	Total	1990 quarter ended—			
		March	June	September	December
	(1)	(2)	(3)	(4)	(5)
<b>Imported chemical substances, total.....</b>	<b>9,708</b>	<b>2,565</b>	<b>2,374</b>	<b>2,670</b>	<b>2,100</b>
Acetone .....	61	--	20	--	41
Acrylic and methacrylic acid resins.....	21	6	8	5	3
Acrylonitrile .....	21	--	15	--	6
Ammonium nitrate .....	243	80	--	83	80
Carbon tetrachloride .....	55	22	14	19	--
Chloroform .....	4	4	--	--	--
Chromic acid .....	2	--	--	2	--
Cumene .....	978	316	374	288	--
Cyclohexane .....	57	27	--	15	15
Ethyl alcohol for nonbeverage use.....	891	141	44	397	309
Ethyl methyl ketone .....	22	20	3	--	--
Ethylbenzene .....	196	175	18	3	--
Ethylene dichloride .....	161	--	95	59	7
Ethylene glycol .....	240	124	27	50	39
Ethylene oxide .....	53	14	17	21	--
Ferrocchrome ov 3 pct. carbon.....	23	--	7	16	--
Ferrocromium nov 3 pct .....	--	--	--	--	--
Ferrounickel .....	5	1	2	1	1
Formaldehyde .....	--	--	--	--	--
Hydrogen peroxide .....	5	1	--	2	2
Isophthalic acid .....	47	--	13	17	17
Isopropyl alcohol .....	151	30	11	59	51
Linear alpha olefins .....	15	--	--	15	--
Maleic anhydride .....	5	2	2	1	--
Melamine .....	--	--	--	--	--
Methanol .....	1,022	110	337	117	458
Methylene chloride .....	13	6	2	5	( <sup>1</sup> )
Nickel oxide .....	--	--	--	--	--
Nickel powders .....	--	--	--	--	--
Nickel waste and scrap .....	--	--	--	--	--
Phenolic resins .....	6	3	2	1	( <sup>1</sup> )
Phthalic anhydride .....	16	--	10	6	--
Polyalphaolefins .....	--	--	--	--	--
Polybutadiene .....	109	30	35	21	23
Polyethylene resins.....	1,484	718	393	99	255
Polyethylene terephthalate pellets.....	--	--	--	--	--
Polypropylene .....	( <sup>1</sup> )	--	--	( <sup>1</sup> )	--
Polypropylene resins .....	36	15	12	--	9
Polystyrene homopolymer resins.....	61	20	17	24	--
Polystyrene resins and copolymers.....	30	7	11	9	3
Polyvinylchloride resins .....	63	25	1	32	5
Propylene glycol .....	1	1	( <sup>1</sup> )	--	--
Propylene oxide .....	37	5	26	7	--
Styrene .....	832	229	282	104	217
Styrene-butadiene (latex) .....	11	4	3	2	2
Styrene-butadiene (nspf) .....	1	--	--	1	--
Synthetic rubber .....	407	76	124	137	70
Unwrought nickel .....	--	--	--	--	--
Urea .....	171	6	5	146	15
Vinyl chloride .....	240	90	43	107	( <sup>1</sup> )
Vinyl resins.....	107	48	--	( <sup>1</sup> )	59
Vinyl resins (nspf).....	--	--	--	--	--
Wrought nickel rods and wire.....	--	--	--	--	--
Other chemical substances .....	1,824	209	399	804	412

<sup>1</sup>Less than \$500.

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

# Environmental Excise Taxes, 1990

**Table 2.—Environmental Excise Taxes Before Adjustments and Credits, by Type of Substance, 1990**

Type of substance	Number of businesses reporting environmental excise tax	Number of barrels or tons (thousands)	Tax rate per barrel or ton (dollars)	Average tax per business (whole dollars)
	(1)	(2)	(3)	(4)
<b>Total</b> .....	<b>754</b>	<b>N/A</b>	<b>N/A</b>	<b>1,473,723</b>
		Barrels		
<b>Petroleum, total</b> .....	<b>n.a.</b>	<b>N/A</b>	<b>N/A</b>	<b>n.a.</b>
Domestic petroleum, Superfund.....	139	2,874,552	0.097	2,005,982
Domestic petroleum, Oil Spill Liability Trust Fund.....	133	2,777,636	0.050	1,044,224
Imported crude oil and petroleum products, Superfund.....	242	2,745,889	0.097	1,100,625
Imported crude oil and petroleum products, Oil Spill Liability Trust Fund.....	231	2,623,009	0.050	567,751
		Tons		
<b>Petrochemicals, total</b> .....	<b>177</b>	<b>45,924</b>	<b>N/A</b>	<b>1,338,054</b>
Acetylene .....	48	159	4.870	16,151
Benzene .....	42	5,983	4.870	693,758
Butadiene .....	26	1,817	4.870	340,367
Butane .....	13	679	4.870	254,180
Butylene .....	6	481	4.870	390,392
Ethylene .....	35	18,923	4.870	2,633,053
Methane .....	32	2,676	3.440	287,674
Naphthalene .....	7	24	4.870	16,483
Propylene .....	51	9,595	4.870	916,187
Toluene .....	63	2,353	4.870	181,868
Xylene .....	58	3,234	10.130	564,916
<b>Inorganic chemicals, total</b> .....	<b>307</b>	<b>32,961</b>	<b>N/A</b>	<b>161,005</b>
Ammonia .....	78	3,287	2.640	111,249
Antimony .....	10	8	4.450	3,758
Antimony trioxide .....	21	30	3.750	5,349
Arsenic .....	4	( <sup>2</sup> )	4.450	204
Arsenic trioxide .....	8	16	3.410	6,777
Barium sulfide .....	*	( <sup>2</sup> )	2.300	*
Bromine .....	9	139	4.450	68,821
Cadmium .....	13	2	4.450	611
Chlorine .....	45	11,195	2.700	671,684
Chromite .....	6	198	1.520	50,281
Chromium .....	13	21	4.450	7,148
Cobalt .....	8	6	4.450	3,500
Cupric oxide .....	11	12	3.590	4,063
Cupric sulphate .....	21	29	1.870	2,618
Cuprous oxide .....	3	5	3.970	7,196
Hydrochloric acid .....	62	867	0.290	4,053
Hydrogen fluoride .....	17	295	4.230	73,516
Lead oxide .....	28	377	4.140	55,749
Mercury .....	3	( <sup>2</sup> )	4.450	608
Nickel .....	18	105	4.450	25,990
Nitric acid .....	34	1,382	0.240	9,755
Phosphorus .....	7	275	4.450	174,527
Potassium dichromate .....	7	( <sup>2</sup> )	1.690	51
Potassium hydroxide .....	31	354	0.220	2,514
Sodium dichromate .....	7	1	1.870	286
Sodium hydroxide .....	78	8,815	0.280	31,644
Stannic chloride .....	4	11	2.120	5,664
Stannous chloride .....	4	1	2.850	830
Sulfuric acid .....	82	5,500	0.260	17,440
Zinc chloride .....	14	19	2.220	2,978
Zinc sulfate .....	16	9	1.900	1,088

Footnotes at end of table.

# Environmental Excise Taxes, 1990

**Table 2.--Environmental Excise Taxes Before Adjustments and Credits, by Type of Substance, 1990--  
Continued**

Type of substance	Number of businesses reporting environmental excise tax	Number of barrels or tons (thousands)	Tax rate per barrel or ton (dollars)	Average tax per business (whole dollars)
	(1)	(2)	(3)	(4)
Imported chemical substances, total.....	88 <sup>1</sup>	N/A	N/A	110,318
Acetone.....	*	N/A	N/A	*
Acrylic and methacrylic acid resins.....	4	N/A	N/A	5,321
Acrylonitrile.....	*	N/A	N/A	*
Ammonium nitrate.....	*	N/A	N/A	*
Carbon tetrachloride.....	*	N/A	N/A	*
Chloroform.....	*	N/A	N/A	*
Chromic acid.....	*	N/A	N/A	*
Cumene.....	*	N/A	N/A	*
Cyclohexane.....	*	N/A	N/A	*
Ethyl alcohol for nonbeverage use.....	*	N/A	N/A	*
Ethyl methyl ketone.....	*	N/A	N/A	*
Ethylbenzene.....	*	N/A	N/A	*
Ethylene dichloride.....	*	N/A	N/A	*
Ethylene glycol.....	4	N/A	N/A	60,127
Ethylene oxide.....	*	N/A	N/A	*
Ferrocrome ov 3 pct. carbon.....	*	N/A	N/A	*
Ferrocromium nov 3 pct.....	--	N/A	N/A	--
Ferronickel.....	*	N/A	N/A	*
Formaldehyde.....	--	N/A	N/A	--
Hydrogen peroxide.....	*	N/A	N/A	*
Isophthalic acid.....	*	N/A	N/A	*
Isopropyl alcohol.....	3	N/A	N/A	50,456
Linear alpha olefins.....	*	N/A	N/A	*
Maleic anhydride.....	3	N/A	N/A	1,562
Melamine.....	--	N/A	N/A	--
Methanol.....	8	N/A	N/A	127,686
Methylene chloride.....	4	N/A	N/A	3,206
Nickel oxide.....	--	N/A	N/A	--
Nickel powders.....	--	N/A	N/A	--
Nickel waste and scrap.....	--	N/A	N/A	--
Phenolic resins.....	3	N/A	N/A	1,992
Phthalic anhydride.....	*	N/A	N/A	*
Polyalphaolefins.....	--	N/A	N/A	--
Polybutadiene.....	3	N/A	N/A	36,299
Polyethylene resins.....	20	N/A	N/A	73,224
Polyethylene terephthalate pellets.....	--	N/A	N/A	--
Polypropylene.....	*	N/A	N/A	*
Polypropylene resins.....	*	N/A	N/A	*
Polystyrene homopolymer resins.....	*	N/A	N/A	*
Polystyrene resins and copolymers.....	3	N/A	N/A	9,996
Polyvinylchloride resins.....	15	N/A	N/A	4,259
Propylene glycol.....	*	N/A	N/A	*
Propylene oxide.....	*	N/A	N/A	*
Styrene.....	5	N/A	N/A	166,120
Styrene-butadiene (latex).....	*	N/A	N/A	*
Styrene-butadiene (nspf).....	*	N/A	N/A	*
Synthetic rubber.....	12	N/A	N/A	33,923
Unwrought nickel.....	--	N/A	N/A	--
Urea.....	5	N/A	N/A	34,202
Vinyl chloride.....	*	N/A	N/A	*
Vinyl resins.....	*	N/A	N/A	*
Vinyl resins (nspf).....	3	N/A	N/A	35,815
Wrought nickel rods and wire.....	--	N/A	N/A	--
Other chemical substances.....	25	N/A	N/A	72,960

\*Not shown to avoid disclosure of information about specific businesses. However, the data are included in the appropriate totals.

n.a. - Not available.

N/A - Not applicable.

<sup>1</sup> Number of businesses do not add to totals because some businesses report a tax on more than one substance.

<sup>2</sup> Less than \$500.

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

# Projections of Returns to be Filed in Calendar Years 1993-1999

by Carolyn De Wilde

In Calendar Year (CY) 1993, a total of 206.4 million tax returns are projected to be filed at Internal Revenue Service (IRS) service centers [1]. This is an increase of 1.6 percent over the number estimated to be filed in CY 1992. Return projections, developed by the IRS Research Division staff, provide a foundation for IRS resource requirements and budget submissions to the Department of Treasury, Office of Management and Budget and Congress. Calendar year projections reflect the year in which the returns are processed rather than the tax year [2]. Additionally, the projections account for recent administrative, regulatory and legislative changes. This article presents highlights of projection methodology, growth rates, projection accuracy and some discussion on the impact of electronic filing on individual returns.

## Projection Methodology

Three distinctive methods were used to project tax returns: regression techniques, time series analysis and growth rates. Regression techniques were used when statistically sound relationships existed between tax return filings and independent economic or demographic indicators. The key economic and demographic variables which significantly affected return filings were personal income, gross domestic product (GDP), total employment, total population, the interest prime rate and household net worth [3]. These variables were used in regression

models to project individual, employment, fiduciary and various corporation returns. In most instances, these economic or demographic variables were lagged by 1 year to correspond with the tax years, not the filing years. Also, "dummy variables" were occasionally used to account for the effects of legislative changes, return count aberrations and other

**Individual income tax returns account for over 56 percent of all returns expected to be filed in 1993.**

unusual conditions not reflected by the economic or demographic variables.

The regression models incorporate the actual 1991 return count into the base period. Some also include 1992 estimates in the base period. Typically, the 6-month return count is used to estimate the total for the year based on the proportion of returns filed in 1992 relative to the same period in 1991.

In the absence of statistically sound relationships with economic and demographic variables, returns were projected using time series analysis: from finite moving averages, exponential smoothing and transfer function models to the more sophisticated autoregressive integrated moving average (ARIMA) technique. For example, for Forms 720 and 730, linear exponential smoothing and linear growth extrapolation, respectively, were used.

Simple growth rates are often used for forecasting when the return series has a short historical base period because the traditional projection techniques are not applicable. This method assumes that a prior growth pattern for a given form will continue in the future, or that a new return type will grow at the same rate as a related established return. Form 8752, filed annually by all partnerships and S Corporations electing either to maintain or establish a taxable year other than the required calendar year is a prime example of a new return projected using the growth rate of another return. In this instance, the combined Form 1065 (partnership) and Form 1120S (S Corporation) growth rate was used to project the Form 8752 volumes.

## Projection Highlights

### Grand Total Returns, Primary Returns and Supplemental Documents

The projections for the grand total of all returns call for an annual average increase of 1.8 percent for the years 1993 through 1999 (see Figure A). "Primary Returns," particularly individual, corporation and employment tax returns, account for a major portion of the total filings and generate the majority of IRS document processing workload. Of the 206.4 million total returns projected to be filed in 1993, about 195.4 million were designated as Primary Returns and the remaining 11.0 million as "Supplemental Documents" (see Figure B). Supplemental Documents are mainly composed of amended returns and requests for filing extensions from both individuals and corporations [4].

### Individual Returns

The total 1040 series (the sum of Forms 1040, 1040A and 1040EZ) comprises the bulk of total individual income tax returns. These returns are expected to reach nearly 117 million by CY 1993. Comparing the year-to-year percentage changes for the total 1040 series, the projections call for an increase of 1.5 percent in 1993 and 1.8 percent in 1994. Through 1999, the average annual growth rate in the series is 1.8 percent.

Individual returns account for over 56 percent of all returns expected to be filed in 1993. The IRS receives individual tax returns in a number of mediums, including

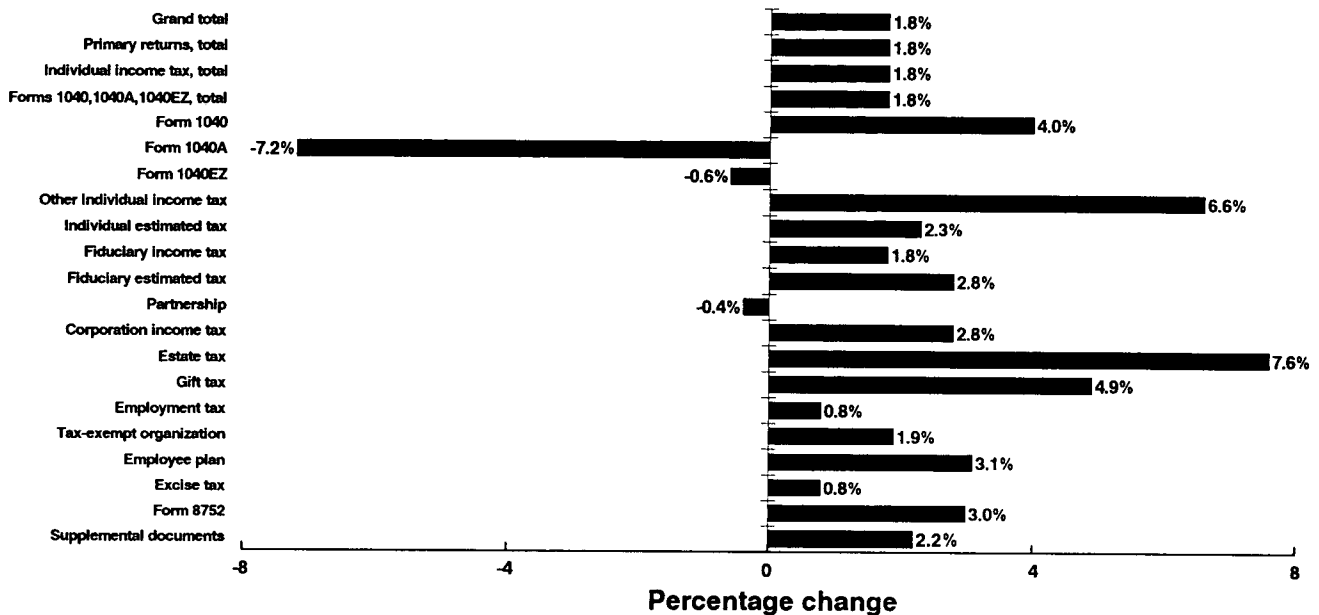
*Carolyn De Wilde is an economist with the Projections and Forecasting Group, Research Division. This article was prepared under the direction of Russell Geiman, Group Chief.*



# Projections of Returns to be Filed in Calendar Years 1993-1999

**Figure A**

## Projected Average Annual Percentage Change in the Number of Returns Filed, by Type of Return, Calendar Years 1993-1999



conventional paper returns, electronically-filed returns, and the new Form 1040PC (which is now separately projected). Form 1040PC is a special condensed paper return generated by special tax preparation computer software. The IRS has also tested the filing of Form 1040EZ returns using touch-tone telephones under a new program called TeleFile (see Figure C).

Electronic filing was introduced to the public in 1986. In the first filing season, 25,000 returns were filed electronically in selected test areas in Ohio, North Carolina and Arizona. The program was expanded nationally in 1990 [5]. In 1992, over 11 million returns were electronically filed, which is 9.6 percent of all individual returns. In 1999, projections show that over 21 percent of all individual taxpayers will file electronically. Figure D graphically demonstrates the projected growth of electronically-filed returns in relation to all other individual income tax returns.

The official IRS reporting system counts most individual returns filed electronically (including Form 1040PC and TeleFile) as if they were Form 1040 returns. However, a 1992 analysis of electronically filed returns showed that almost 80 percent could have been filed on either the Form 1040A or the Form 1040EZ. These percentages are based on an analysis which determines the easiest type of paper return the electronic filer was eligible to file. Thus, the present accounting system over-

**Figure B**

## Projections for Calendar Year 1993

(Number of returns is in thousands)

Type of return	1993 Projections	Percentage change from 1992 <sup>1</sup> (estimated)
<b>Grand total</b> .....	<b>206,406</b>	<b>1.64</b>
<b>Primary returns, total</b> .....	<b>195,365</b>	<b>1.61</b>
Individual income tax, total.....	117,040	1.50
Forms 1040, 1040A, 1040EZ, total...	116,670	1.49
Form 1040.....	81,267	5.03
Form 1040A.....	18,592	-9.03
Form 1040EZ.....	16,811	-1.94
Other.....	370	3.71
Individual estimated tax.....	36,801	2.28
Fiduciary income tax.....	2,864	0.88
Fiduciary estimated tax.....	641	8.24
Partnership.....	1,616	-0.55
Corporation income tax.....	4,620	2.97
Estate tax.....	75	7.71
Gift tax.....	181	6.98
Employment tax.....	28,799	0.94
Form 1042 <sup>2</sup> .....	23	0.78
Tax-exempt organization.....	555	2.46
Employee plan.....	1,228	4.11
Excise tax.....	853	0.68
Form 8752.....	70	3.52
<b>Supplemental documents, total</b> .....	<b>11,040</b>	<b>2.10</b>
Form 1040X.....	2,064	0.71
Form 4868.....	5,179	2.01
Form 2688.....	1,712	4.13
Form 1120X.....	22	-5.86
Form 7004.....	2,029	2.16
Form 1041A.....	35	1.70

<sup>1</sup> Percentage changes for 1992 were based on estimated final counts of returns because complete information was unavailable at the time this table was compiled.

<sup>2</sup> Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.

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

# Projections of Returns to be Filed in Calendar Years 1993-1999

**Figure C**

## Individual Income Tax Returns by Non-Conventional Filing Methods, Calendar Years 1992-1993

[Number of returns is in thousands]

Filing methods	1992 Estimates	1993 Projections
Electronic filing.....	11,068	14,755
TeleFile (in Ohio).....	126	168
Form 1040PC.....	1,481	6,610

states Form 1040 filings and understates Form 1040A and Form 1040EZ filings. This, in turn, has made it difficult to forecast true underlying filing patterns by individual form type.

In an effort to preserve underlying filing trends for forecasting purposes, IRS Master File data were adjusted to eliminate the effect of electronic filing. Total electronic filing was subtracted from Form 1040 return types and redistributed to Form 1040, 1040A and 1040EZ return types based on the type of form the taxpayer could have filed. The result of this redistribution is the construction of historical filing patterns as if electronic filing never existed. After projections of relevant return items were made, projections of electronic filings on Forms

1040, 1040A and 1040EZ were subtracted from projected individual Form 1040, 1040A and 1040EZ return types. Figure E represents the percentage of returns projected to be filed electronically in 1993 by estimated form type eligibility [6].

### Individual Declarations of Estimated Tax

The *Individual Declaration of Estimated Tax* (Form 1040-ES) payment vouchers are filed when income is not subject to withholding (or if the tax withheld is expected to be inadequate). Income not subject to withholding includes income from self-employment, interest, dividends, rents and alimony. Estimated tax payments are usually made on a quarterly basis depending upon the date the income was received. The projections have a growth rate of 2.3 percent in 1993 through 1999. In 1993, about 36.8 million Form 1040-ES vouchers are projected to be filed, about 18 percent of the grand total of all returns. The Form 1040-ES projections are based on a time series model.

### Fiduciary Income Tax Returns

Form 1041 is filed by a fiduciary to report the income of an estate or trust. Annual growth for this return type from 1993 to 1999 is expected to average 1.8 percent. This projected growth is more or less in line with the anticipated increase in household net worth (a measure of personal wealth).

### Fiduciary Estimated Tax Returns

Form 1041-ES was created by the Tax Reform Act of 1986, which mandated that fiduciaries of estates and trusts make certain estimated income tax payments beginning with Tax Year 1987. In 1993, about 640,700 Forms 1041-ES are expected to be filed, with an average annual growth of 2.8 percent projected through 1999. These projections were created by regressing the ratio of Forms 1041-ES to Forms 1041 on the interest prime rate charged by banks.

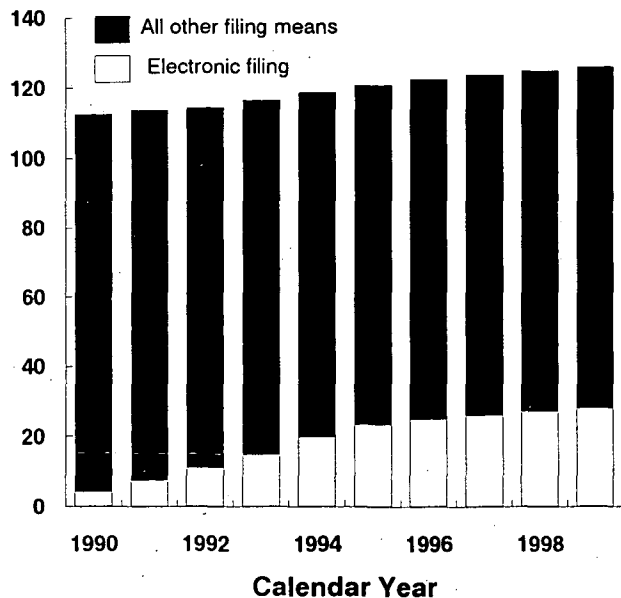
### Partnership Returns

*U.S. Partnership Return of Income* (Form 1065) is used to report income, deductions, credits and losses from the operation of a partnership. The purpose of this return is to show each partner's distributive share, to be reported on the individual (or other) income tax return. The projections show an overall consistent decline of 0.6 percent through 1996, and then a slower decline of 0.3 percent until 1999. Forecasts have been based on a time trend model for recent years.

**Figure D**

## Individual Income Tax Returns Filed Electronically and By Other Means, Calendar Years 1990-1999

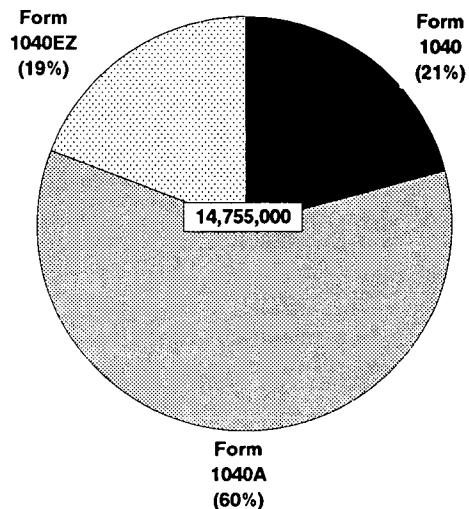
Millions of returns



## Projections of Returns to be Filed in Calendar Years 1993-1999

**Figure E**

### Estimated Percentage of Individual Income Tax Returns Filed Electronically, by Type of Return, Calendar Year 1993



#### Corporation Income Tax Returns

Corporation income tax returns are the aggregate of Forms 1120 (*U.S. Corporation Income Tax Return*); 1120-A (*U.S. Short-Form Corporation Income Tax Return*); and various other forms filed by such entities as real estate investment trusts, insurance and investment companies, homeowners associations and others. The corporation category also includes tax returns filed by "S Corporations" (Form 1120S, *U.S. Income Tax Return for an S Corporation*) that are taxed through shareholders. In 1993, about 4.6 million returns are projected to be filed. The projected average annual percentage change in the number of returns through 1999 is 2.8 percent which reflects a combination of econometric regression models using GDP and time series techniques based on past filing experience.

#### Estate and Gift Tax Returns

Federal estate tax returns (Form 706) are filed to report the transfer of property at death. In 1987, the filing requirement threshold was increased to estates whose gross assets exceeded \$600,000. Estate tax returns are expected to grow at a rate ranging from 7.7 percent in 1993 to 7.4 percent by 1999. The estate tax return total is the summation of the projections for three distinct size groupings of returns: gross assets under \$1 million; between \$1 million and \$5 million; and over \$5 million. The methodologies used for these projections were

ARIMA, exponential smoothing and weighted moving average, respectively.

The Federal gift tax is imposed on the gratuitous transfer of real or personal property which exceeds a certain dollar amount. Generally, the person making the gift (the donor) must file Form 709 to pay the tax. The 1993 projections call for a 7.0 percent growth rate. The average annual growth rate for the period 1993-1999 is projected at 4.9 percent. These projections are based on a time trend based on earlier years.

#### Employment Tax Returns

Employment tax returns consist of *Employer's Annual Federal Unemployment Tax Return* (Forms 940 and 940EZ), *Employer's Annual/Quarterly Federal Tax Return* (Form 941), *Employer's Quarterly Tax Return for Household Employees* (Form 942), *Employer's Annual Tax Return for Agricultural Employees* (Form 943) and *Employer's Annual Railroad Tax Return* (Form CT-1). Overall, employment tax returns are expected to grow at an average rate of 0.8 percent. This sluggish growth largely reflects the forecasted growth pattern for civilian employment. The major contributor to the employment tax return total is Form 941. The 1993 projection figure for Form 941 represents 21.7 million of the total 28.8 million employment tax return total, or approximately 75 percent.

The methodology for the total employment figure is the summation of all of the forms listed above. The regression model for Forms 940, 940EZ, 941 and 941 PR/SS/E used civilian employment lagged by 1 year with the appropriate dummy variables. Forms 942, 943, 943PR and CT-1 were regressed on a time trend. The overall projections were a summation of all the employment forms listed above.

#### Tax-exempt Organization Returns

Total tax-exempt organization returns are a summation of Form 990, *Return of Organization Exempt From Income Tax*; Form 990EZ, *Return of Organization Exempt from Income Tax (Short Form)*; Form 990C, *Farmers' Cooperative Association Income Tax Return*; and Form 990PF, *Return of a Public Foundation*, as well as Form 990T, for the tax on unrelated business income of exempt organizations, Form 4720, for certain excise taxes on charities and other exempt organizations and Form 5227, filed for split-interest trusts. In 1993, total tax-exempt organization returns are expected to grow 2.5 percent over 1992 to about 555,000 returns. The longer range projections for 1993 through 1999 call for an average annual growth of

## Projections of Returns to be Filed in Calendar Years 1993-1999

1.9 percent. A variety of forecasting methods was used for the five separate return forms. Forms 990, 990EZ, 990PF, 990T, 4720 and 5227 were regressed on a time trend. Forms 990C were regressed on the number of farm cooperatives and a dummy variable.

### Employee Plans

Total employee plan returns, representing the sum of Forms 5500, *Annual Return/Report of Employee Benefit Plan*; 5500C/R, *Return/Report of Employee Benefit Plan*; and 5500EZ, *Annual Return/Report of One-Participant (Owners and their Spouses) Pension Benefit Plan* are projected to reach 1.2 million in 1993, increasing to 1.5 million by 1999. The overall average growth rate from 1993 to 1999 is 3.1 percent.

### Excise Tax Returns

Total excise tax returns processed by IRS are the sum of the following four categories of returns: (1) Form 11C (*Special Tax Return and Application for Registry-Wagering*); (2) Form 720 (*Quarterly Federal Excise Tax Return*); (3) Form 730 (*Tax on Wagering*); and (4) Form 2290 (*Heavy Vehicle Use Tax Return*). Form 720 and Form 2290 comprise the largest share of the total. Using the 1993 projected figures, these two forms together represent about 92 percent of total excise tax returns. Form 11C and Form 2290 were regressed on time trends. Form 720 and Form 730 used linear exponential smoothing and linear growth extrapolation, respectively. (Alcohol and tobacco tax forms are not processed by IRS and are therefore excluded from these projections.)

### Form 8752

Form 8752 is filed annually by all partnerships and S Corporations electing either to maintain or establish any taxable year other than the calendar year required by the Tax Reform Act of 1986. Prior to 1991, Form 8752 was

encompassed in the Form 720 volumes. Form 8752 projections were based on the combination of the growth rates of Form 1065 (Partnerships) and Form 1120S (S Corporations). The projected figure for 1993 is approximately 70,000 returns, reflecting a growth rate of 3.5 percent from 1992. In 1999, the number of returns projected is 83,100.

### Supplemental Documents

"Supplemental Documents" are comprised primarily of amended returns and requests for filing extensions. In 1993, about 11.0 million supplemental returns are expected to be filed, representing a growth of 2.1 percent from CY 1992 which largely reflects recent growth rates.

### Projection Accuracy

In addition to understanding the forecasting models and projected volumes, it is useful to consider the historical accuracy of past projections when evaluating future forecasts. Using the actual return counts for Calendar Years 1989 through 1991, two key measures of accuracy have been calculated -- the mean absolute error (MAE) and the mean absolute percent error (MAPE). The MAE is the average of the relevant "projection errors," regardless of whether the forecasts were overprojected or underprojected. The projection error is simply the actual result minus the projected volume. The MAE and MAPE values are grouped by time horizons. The time horizon is determined by when the forecast was made and for what future year. For example, a forecast for CY 1989 made in 1986 would be part of the "3 years ahead" time horizon. At each time horizon, the number of observations (N) was held constant at three [7]. Figure F shows the MAE and MAPE accuracy rates of projections at the national level.

For the grand total and the primary return total categories, the absolute percentage errors (MAPE's) are generally in the 1 to 2 percent range, regardless of the time

Figure F

### Mean Absolute Error (MAE) and Mean Absolute Percentage Error (MAPE) Accuracy of U.S. Level Projections Based on Actual Return Counts for Calendar Years 1989 through 1991

Type of return	Mean absolute error (number of returns)				Mean absolute percentage error			
	1 year ahead	2 years ahead	3 years ahead	4 years ahead	1 year ahead	2 years ahead	3 years ahead	4 years ahead
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Grand total.....	1,773,433	3,586,533	5,958,200	3,959,433	0.88	1.78	2.93	1.94
Primary returns, total.....	1,812,133	2,106,333	3,549,333	2,652,600	0.94	1.10	1.84	1.38
Individual income tax.....	647,767	806,167	456,800	644,000	0.58	0.71	0.40	0.58
Partnership.....	140,933	270,033	317,900	411,200	8.03	15.80	18.58	23.93
Corporation income tax.....	103,200	112,487	144,800	154,400	2.39	2.58	3.37	3.59
Employment tax.....	324,700	361,967	685,567	901,833	1.13	1.26	2.39	3.15
Supplemental documents.....	1,273,233	2,147,633	2,408,933	2,139,067	12.51	20.77	23.24	20.59

NOTE: Number of returns is based on three observations and is not additive.

## Projections of Returns to be Filed in Calendar Years 1993-1999

horizon. The total individual return projections have the lowest average MAPE, ranging from 0.4 percent to 0.7 percent. Supplemental documents are historically more volatile and thus more difficult to project, as illustrated by the 12.5 percentage for 1-year-ahead MAPE.

The complete set of projections for 1992 through 1999 by form type is presented in Table 1.

### Notes and References

[1] The number of returns filed (as used in this article) represents returns processed at IRS service centers and posted to the Master File system during a calendar year. The IRS Master File system includes the Individual Master File (IMF), the Business Master File (BMF) and the Employee Plans Master File (EPMF).

The numbers do not include the information and withholding documents processed by the Service, such as interest and dividend statements on Forms 1099, and wage and tax statement on Forms W-2. Information and withholding documents contain data for use in the IRS programs that match information return data with what is reported on the income tax return and are not considered to be tax returns. Most information documents are received on magnetic tape and processed at the IRS Martinsburg (West Virginia) Computing Center. For information about information return projections, see *Calendar Year Projections of Information and Withholding Documents for the United States and Service Centers: 1992-1999, Revision 4-92*, Research Division, Internal Revenue Service, U.S. Department of the Treasury.

[2] All statistics are for the year in which the tax returns were processed by the Internal Revenue Service,

stated on a calendar year basis, unless otherwise noted. The main calendar year projections discussed in this article are based on *Calendar Year Return Projections for the United States, Regions, and Service Centers: 1992-1999, Revision 10-92*, Research Division, Internal Revenue Service, U.S. Department of the Treasury. Final actual counts for Calendar Year 1992 were incomplete at the time this article was written. For complete, fiscal year counts, see *Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service, Fiscal Year 1992* (in preparation at the time this article was written).

[3] Economic and demographic variables were estimated by Data Resources, Incorporated, June 1992.

[4] See *Calendar Year Return Projections for the United States, Regions, and Service Centers: 1992-1999*, op. cit., for a further explanation of return types.

[5] Musselman, Bryan L., "Electronic Filing--Who's Participating and Who Isn't," *The IRS Research Bulletin*, September 1991, Research Division, Internal Revenue Service, U.S. Department of the Treasury.

[6] U.S. Department of the Treasury, Internal Revenue Service, Research Division, *Calendar Year Projections of Individual Returns By Major Processing Categories, Revision 8-92*.

[7] For further discussion of the issue of projection accuracy, see *Calendar Year Projections of Individual Returns By Major Processing Categories*, op. cit., and Geiman, Russell R., Nichols, Bonnie L. and De Wilde, Carolyn D., "How Are We Doing? An Analysis of Projection Accuracy," *The IRS Research Bulletin*, op. cit.

# Projections of Returns to be Filed in Calendar Years 1993-1999

**Table 1.--Number of Returns Filed or to be Filed with the Internal Revenue Service, Calendar Years 1991-1999**

[Number of returns are in thousands]

Type of return	Actual 1991 <sup>1</sup>	Estimated 1992 <sup>2</sup>	Projected						
			1993	1994	1995	1996	1997	1998	1999
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Grand total</b> <sup>1</sup>	<b>204,264</b>	<b>203,079</b>	<b>206,406</b>	<b>210,088</b>	<b>213,690</b>	<b>217,240</b>	<b>220,859</b>	<b>225,106</b>	<b>229,702</b>
<b>Primary returns, total</b>	<b>193,601</b>	<b>192,265</b>	<b>195,385</b>	<b>198,809</b>	<b>202,160</b>	<b>205,473</b>	<b>208,850</b>	<b>212,812</b>	<b>217,117</b>
Individual income tax, total	114,134	115,316	117,040	119,129	121,094	123,016	124,979	127,508	130,394
Forms 1040, 1040A and 1040EZ, total	113,829	114,959	116,670	118,734	120,672	122,564	124,494	126,989	129,837
Form 1040	74,687	77,378	81,267	86,880	91,336	93,919	96,149	98,699	101,474
Form 1040A	21,785	20,437	18,592	15,753	13,705	13,026	12,630	12,370	11,987
Form 1040EZ	17,358	17,144	16,811	16,101	15,631	15,618	15,716	15,920	16,375
Other <sup>3</sup>	305	357	370	395	422	452	484	520	557
Individual estimated tax	38,814	35,980	36,801	37,540	38,499	39,377	40,274	41,193	42,132
Fiduciary income tax <sup>4</sup>	2,779	2,839	2,864	2,880	2,956	3,016	3,082	3,146	3,207
Fiduciary estimated tax	608	592	641	659	678	681	690	704	717
Partnership	1,652	1,625	1,616	1,607	1,598	1,593	1,588	1,584	1,580
Corporation income tax <sup>5</sup>	4,374	4,487	4,620	4,748	4,863	5,001	5,139	5,281	5,428
Estate tax	65	70	75	81	87	94	101	109	117
Gift tax	157	169	181	192	202	212	221	229	237
Employment tax <sup>6</sup>	28,465	28,530	28,799	29,081	29,330	29,571	29,806	30,034	30,227
Form 1042 <sup>7</sup>	22	23	23	23	23	23	24	24	24
Tax-exempt organization <sup>8</sup>	520	541	555	567	578	589	599	609	620
Employee plan <sup>9</sup>	1,126	1,180	1,228	1,272	1,314	1,352	1,389	1,424	1,458
Excise tax <sup>10</sup>	821	847	853	860	866	873	880	887	894
Form 8752 <sup>11</sup>	65	67	70	72	74	76	79	81	83
<b>Supplemental documents, total</b>	<b>10,663</b>	<b>10,814</b>	<b>11,040</b>	<b>11,279</b>	<b>11,531</b>	<b>11,767</b>	<b>12,009</b>	<b>12,294</b>	<b>12,586</b>
Form 1040X <sup>12</sup>	1,861	2,050	2,064	2,105	2,144	2,182	2,220	2,256	2,291
Form 4868 <sup>13</sup>	5,144	5,077	5,179	5,267	5,361	5,447	5,534	5,646	5,763
Form 2688 <sup>14</sup>	1,662	1,644	1,712	1,775	1,840	1,902	1,964	2,035	2,108
Form 1120X <sup>15</sup>	28	23	22	21	20	19	18	17	16
Form 7004 <sup>16</sup>	1,934	1,986	2,029	2,077	2,129	2,179	2,233	2,299	2,364
Form 1041A <sup>17</sup>	34	34	35	35	37	38	40	42	43

<sup>1</sup> Excluded from all totals are the following "Non-Master File" returns: Forms CT-2, 941M, 990BL and 1120-IC-DISC. Also excluded are withholding and information documents, including forms such as W-2 and the 1099 series and related others.

<sup>2</sup> Estimate, including that for some corporations, is based on returns processed through part of 1992. The actual number filed in CY 1992 was unavailable when this table was compiled.

<sup>3</sup> Includes Forms 1040NR, 1040PR, 1040SS and 1040C; Form 1040X is included under "Supplemental documents," below.

<sup>4</sup> Includes Forms 1041 and 1041S; Form 1041A is included under "Supplemental documents," below.

<sup>5</sup> Includes Forms 1120, 1120A, 1120F, 1120H, 1120L, 1120POL, 1120S, 1120DF, 1120FSC, 1120PC, 1120REIT and 1120RIC; Form 1120X is included under "Supplemental documents," below.

<sup>6</sup> Includes Forms 940, 940EZ, 940PR, 941, 941E, 941PR, 941SS, 942, 942PR, 943, 943PR and CT-1.

<sup>7</sup> Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.

<sup>8</sup> Includes Forms 990, 990EZ, 990C, 990PF, 990T, 4720 and 5227.

<sup>9</sup> Includes Forms 5500, 5500C, 5500EZ and 5500R.

<sup>10</sup> Includes Forms 11C, 720, 730 and 2290; excludes Forms 11 and 5000.24 which are filed with the Bureau of Alcohol, Tobacco and Firearms, U.S. Department of the Treasury, instead of with the Internal Revenue Service.

<sup>11</sup> Form 8752 is filed by partnerships and S Corporations electing either to maintain or establish any taxable year other than the required calendar year.

<sup>12</sup> Individual amended return.

<sup>13</sup> Individual request for automatic filing extension.

<sup>14</sup> Individual request for additional filing extension.

<sup>15</sup> Corporation amended return.

<sup>16</sup> Employee benefit plan explanation of required distributions.

<sup>17</sup> Trust accumulation of charitable amounts.

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

# Foreign Trusts, 1990

Data Release

**D**uring 1990, "U.S. persons" transferred \$272.7 million in money and property to 133 foreign trusts reported on Forms 3520, *Creation of or Transfers to Certain Foreign Trusts* [1]. The average transfer value per trust was \$2.1 million. Of the 133 foreign trusts, nearly 55 percent were created under the laws of Canada. However, these Canadian trusts reported only 16 percent of the transfer value for all foreign trusts. While the number of foreign trusts with 1990 transfers was down from the 255 for 1986, the total and average transfer values were considerably higher than the 1986 values, which were \$16.9 million and \$0.1 million, respectively. In 1986, Canadian trusts represented nearly 50 percent of the 255 total foreign trusts and reported only 8 percent of the total transfer value. The principal difference in the country data between 1986 and 1990 is attributable to Liechtenstein. Although the number of trusts created under the laws of Liechtenstein decreased from nine to seven between 1986 and 1990, the transfer value increased from \$0.5 million to \$94.1 million, growing from 3 percent of the total transfer value in 1986 to nearly 35 percent in 1990 [2]. None of the nine trusts from 1986 was represented in the 1990 data, therefore the increase did not result from growth of these trusts. Stocks and bonds accounted for \$77.6 million transferred to Liechtenstein in trusts in 1990 [3].

A total of 291 Form 3520-A, *Annual Return of Foreign Trust with U.S. Beneficiaries*, returns were received for 1990, representing foreign trusts which had received transfers from U.S. persons for the benefit of U.S. beneficiaries. These trusts had \$154.0 million in total assets. U.S. grantors and transferors reported \$4.8 million of net income on the trusts' books and records, \$3.0 million of which was the reported allocable share of these grantors and transferors. Over 64 percent of the returns were filed for trusts created under the laws of Canada. These trusts accounted for only 4 percent of the total grantor/transferor portion of net income and 9 percent of the total net income reported on the trusts' books and records. (The reasons why these two amounts were not equal are discussed below.) By comparison, for 1986, there were 411 returns filed with \$2.6 million of net income on the trusts' books and records. (There are no statistics on the grantor/transferor portion for 1986.) These trusts accumulated \$94.5 million of assets. Although over 50 percent of the trusts were created under the laws of Canada, the Canadian trusts constituted only 1 percent of total net income reported on the trusts' books and records. Most of the

Canadian trusts were set up as savings plans by individuals who transferred funds for the purpose of deferring Canadian taxes, although Canada limited the amount of income on which tax could be deferred.

Trusts are fiduciary arrangements created by "grantors" who transfer their ownership of property to "trustees" who are legally committed to protect or use that property for the benefit of "beneficiaries." The arrangement can be an "inter vivos trust" created by a living grantor, or a "testamentary trust" created as the result of a grantor's will. For a trust to be valid there must be a separation of interests between at least two parties. No one person can be the grantor, trustee and sole beneficiary of a trust at the same time.

Section 7701(a)(31) of the Internal Revenue Code states that a trust is "foreign" when the income of the trust results from sources outside the United States and is not includible in U.S. gross income for income tax purposes. A foreign trust is created and governed under the laws of a foreign country. In contrast to domestic trusts, which are taxed as U.S. citizens or residents, foreign trusts are taxed as nonresidents. Foreign trusts are frequently created by grantors and transferors mainly to benefit from tax haven countries favorable to foreign persons or, in the case of the Canadian Registered Retirement Savings Plans (R.R.S.P.), to benefit from deferring taxation of current income set aside for retirement purposes.

Form 3520 is an information return reporting the amount of money and value of property transferred to a foreign trust. Any U.S. person who either creates a foreign trust or transfers money or property to a foreign trust is required to file this form on or before the 90th day after the date of the creation or transfer, with exceptions for contributions to certain employees' trusts. The return must be filed by the grantor in the case of an inter vivos trust; the fiduciary of the estate in the case of a testamentary trust; or the transferor, who is any U.S. person other than the grantor or fiduciary who directly or indirectly transfers money or property to a foreign trust. Table 1 presents data on transferred property from Forms 3520 in the following categories: cash, corporate stocks and bonds, real estate and "other." "Other" property includes personal property such as cars and furniture, as well as life insurance policies and government securities.

Form 3520-A is an information return reporting foreign trust income, expenses, assets and liabilities. Any U.S. person who transfers money or property to a foreign trust that has one or more U.S. beneficiaries is required to file this form annually as long as the trust has at least one U.S. beneficiary [4]. Exempt from filing are those persons transferring property to certain employees' trusts or

*This data release was written by Christine Ferguson, an economist with the Foreign Returns Analysis Section, under the direction of Chris Carson, Chief.*

## Foreign Trusts, 1990

annuity plans. Table 2 shows income statement items per the books and records of the foreign trusts and the share attributable to U.S. grantors and transferors of those trusts.

### Data Sources and Limitations

The information for this data release was based on all Forms 3520 and 3520-A filed at the Internal Revenue Services' Philadelphia Service Center for Tax Year 1990. Because all the returns were used for the statistics, the data are not subject to sampling error. However, the data may contain nonsampling errors. For instance, in Table 2, there is \$3.0 million reported as the grantor/transferor portion of net income, while \$4.8 million is reported as net income on the trusts' books and records. Both the grantor/transferor portion of net income and net income on the trusts' books and records are required to be reported and should be equivalent except in the case of multiple owners of a trust filing separate returns. Where there are multiple owners of a trust, a grantor or transferor may report only the portion he or she owns if the other grantors or transferors also file a Form 3520-A reporting their portion of the foreign trust income. Otherwise the owners are required to file a combined return. However, the difference between the two net incomes occurs from those few cases where there are multiple U.S. owners of foreign trusts and the total net income from the trusts' books and records is reported in total by each owner, thus double counting the total net income. This difference is also in part due to the habits of Canadian R.R.S.P. trust filers and some filers who leave the return incomplete. Form 3520-A filers of R.R.S.P. trusts from Canada may elect not to report undistributed income and to defer taxation. While these filers do not report the grantor/transferor portion of trust income they generally do report the trust income from the trusts' books and records. Therefore, the total grantor/transferor portion of net income, \$3.0 million, may be understated in the statistics, while the total net income of \$4.8 million from the books and records may be overstated due to double counting of income by multiple owners of a shared trust. However, foreign trusts with multiple owners are a rarity. Also the trust assets are understated to an extent, due to a few

returns which were filed incompletely.

The different filing requirements of Forms 3520 and 3520-A prohibits an exact match of these forms. For instance, the filing requirements of Forms 3520-A included the condition of one or more U.S. beneficiaries, while Forms 3520 had no such requirement. Further, Forms 3520 were required to be filed within 90 days when a transfer had been made or a foreign trust had been created. In contrast, Forms 3520-A were required to be filed annually, so long as the trust had one or more U.S. beneficiaries, beginning with the year the first transfer was made.

### Notes and References

- [1] Internal Revenue Code section 7701(a)(30)-(31) states that a "U.S. person" includes a citizen or resident of the United States; a domestic corporation; a domestic partnership; and any estate or trust, other than a foreign estate or foreign trust, the income of which (from sources outside the United States, which is not effectively connected with the conduct of a trade or business within the United States) is not considered to be income for U.S. income tax purposes.
- [2] See Hobbs, James R., "Foreign Trusts, 1986," *Statistics of Income Bulletin*, Spring 1988, Volume 7, Number 4.
- [3] For the purpose of this data release, stocks and bonds include partnership interests.
- [4] Foreign trusts are treated as having U.S. beneficiaries for the tax year unless:
  - (a) no part of the income or corpus of the trust may be paid or accumulated during the tax year to or for the benefit of a U.S. person under the terms of the trust, or
  - (b) no part of the income or corpus of the trust may be paid to or for the benefit of a U.S. person if the trust was terminated at any time during the tax year.



# Foreign Trusts, 1990

**Table 1.—Forms 3520: Number of Trusts, Total Value and Type of Property Transferred and Average Transfer Value, by Country Where the Trust was Created**

[Money amounts are in thousands of U.S. dollars]

Country	Number of trusts	Total transfer value	Type of property transferred				Average transfer value per trust
			Cash	Corporate stocks and bonds	Real estate	Other property	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All countries.....</b>	<b>133</b>	<b>272,663</b>	<b>34,833</b>	<b>105,835</b>	<b>88,560</b>	<b>43,435</b>	<b>2,050</b>
Canada.....	73	44,278	7,211	5	—	37,063	607
Channel Islands.....	16	15,050	1,501	13,549	—	—	941
Liechtenstein.....	7	94,088	14,925	77,589	1,339	235	13,441
Bermuda.....	6	2,689	1,181	1,508	—	—	448
British Virgin Islands.....	6	14	14	—	—	—	2
United Kingdom.....	5	1,353	113	1,240	—	—	271
Hong Kong.....	3	1,677	300	—	1,346	31	559
Other countries.....	17	113,513	9,588	11,944	85,875	6,106	6,677

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

# Foreign Trusts, 1990

**Table 2.--Forms 3520-A: Income Statements and Balance Sheets, by Country Where the Trust was Created**

[Money amounts are in thousands of U.S. dollars]

Country	Number of returns	Total income and expenses from trust books and records			Grantor or transferor portion of income and expenses					
		Total income (less loss)	Total expenses	Net income (less deficit)	Income (less loss)					
					Total	Dividends	Interest	Partnerships and other fiduciaries	Gross rents and royalties	Gross profit from trade or business
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<b>All countries.....</b>	<b>291</b>	<b>6,450</b>	<b>1,674</b>	<b>4,777</b>	<b>4,071</b>	<b>628</b>	<b>3,132</b>	<b>188</b>	<b>88</b>	<b>104</b>
Canada.....	187	440	11	430	143	36	100	--	25	--
Channel Islands.....	23	2,080	338	1,741	1,273	2	1,414	-2	25	--
Bermuda.....	19	1,558	477	1,081	272	89	169	--	--	--
Cayman Islands.....	15	249	133	116	249	33	162	--	--	--
United Kingdom.....	13	825	263	562	801	164	642	-1	36	--
Liechtenstein.....	9	454	137	317	425	122	255	--	--	--
Australia.....	6	138	202	-64	200	--	21	75	--	104
Bahamas.....	5	92	9	84	92	--	85	--	--	--
Mexico.....	5	123	22	101	123	--	--	116	2	--
British Virgin Islands..	3	398	16	382	398	181	253	--	--	--
Switzerland.....	3	62	65	-4	62	--	--	--	--	--
Other countries.....	3	33	3	30	33	1	30	--	--	--

Country	Grantor or transferor portion of income and expenses--Continued					Assets				
	Income (less loss)--Continued			Total expenses	Net income (less deficit)	Total	Cash	Accounts receivable (net)	Notes receivable	Inventories
	Net gain, sales of capital assets	Ordinary gain, noncapital assets	Other							
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	
<b>All countries.....</b>	<b>-341</b>	<b>-2</b>	<b>273</b>	<b>1,070</b>	<b>3,000</b>	<b>154,044</b>	<b>40,478</b>	<b>308</b>	<b>7,455</b>	<b>471</b>
Canada.....	-21	-1	3	10	133	48,132	10,197	--	--	--
Channel Islands.....	-288	3	120	287	987	42,609	12,969	--	1,880	--
Bermuda.....	--	--	14	68	204	20,903	12,907	--	--	--
Cayman Islands.....	-22	--	76	118	131	5,899	1,000	11	409	--
United Kingdom.....	-26	-16	1	260	541	11,486	2,618	--	1,574	--
Liechtenstein.....	-13	--	60	49	376	9,357	496	--	--	--
Australia.....	--	--	--	199	1	2,025	48	143	488	471
Bahamas.....	--	7	--	6	86	2,057	95	63	--	--
Mexico.....	--	5	--	22	101	4,192	--	91	--	--
British Virgin Islands..	-36	--	--	16	382	5,583	92	--	3,103	--
Switzerland.....	62	--	( <sup>1</sup> )	36	25	724	24	--	--	--
Other countries.....	2	--	--	( <sup>1</sup> )	33	1,076	32	--	--	--

Country	Assets--Continued								Total liabilities	Net worth
	Government obligations	Non-government obligations	Corporate stock	Mortgage loans	Other investments	Depreciable assets (net)	Land	Other assets		
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
<b>All countries.....</b>	<b>7,294</b>	<b>11,656</b>	<b>25,693</b>	<b>48</b>	<b>54,849</b>	<b>1,105</b>	<b>1,148</b>	<b>3,539</b>	<b>6,737</b>	<b>147,307</b>
Canada.....	--	298	284	--	37,346	--	--	6	206	47,926
Channel Islands.....	2,008	2,387	14,577	--	8,040	--	--	749	522	42,087
Bermuda.....	682	185	5,742	--	1,388	--	--	--	--	20,903
Cayman Islands.....	--	1,723	506	48	2,085	74	40	2	468	5,431
United Kingdom.....	841	4,267	402	--	1,274	119	225	167	1,872	9,614
Liechtenstein.....	1,792	1,925	3,181	--	737	--	--	1,226	729	8,628
Australia.....	--	--	--	--	205	11	546	112	1,573	452
Bahamas.....	875	872	--	--	151	--	--	( <sup>1</sup> )	( <sup>1</sup> )	2,057
Mexico.....	--	--	--	--	3,230	--	337	533	30	4,162
British Virgin Islands..	236	--	1,000	--	250	901	--	--	1,246	4,337
Switzerland.....	--	--	--	--	( <sup>1</sup> )	--	--	700	92	632
Other countries.....	860	--	--	--	143	--	--	42	( <sup>1</sup> )	1,076

<sup>1</sup> Less than \$500.

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

# Individual Foreign-earned Income and Tax Credit, by Country, 1987

Data Release

**F**or 1987, U.S. taxpayers excluded \$6.4 billion of net foreign-earned income and "excess" housing costs from their U.S. gross income on approximately 171,000 U.S. individual income tax returns. Of this amount, \$703 million was claimed by taxpayers living in the United Kingdom, \$647 million by those in Saudi Arabia, \$515 million by those in Japan, \$482 million, by those in West Germany and \$428 million by those who lived in Canada. Taxpayers also claimed \$1.0 billion of their foreign taxes paid as a credit to reduce their U.S. individual income tax on about 561,000 returns. The United Kingdom, Canada, Japan, West Germany and Puerto Rico received the largest share of these taxes. Likewise, of the \$7.1 billion of gross foreign-source income used to calculate the foreign tax credit, 18 percent was reported for Canada, 12 percent for the United Kingdom, 9 percent for Japan, 6 percent for Puerto Rico and 6 percent for West Germany.

For 1987, U.S. citizens who resided in a foreign country for the entire tax year and U.S. citizens or residents who maintained a tax home abroad for 11 months out of a consecutive 12-month period could exclude their foreign earnings, including salaries and wages, pro rata shares of partnership income, certain business income and other compensation, such as housing and meals, from their U.S. gross income. In addition, they were permitted to exclude their "excess" housing costs. They could not exclude pensions, annuities, compensation paid by the U.S. Government and meals and lodging provided by employers for their convenience. Moreover, the total amount of excludable foreign earnings and "excess" housing costs was limited to \$70,000.

Taxpayers with income from abroad, regardless of their residency, could claim the foreign taxes they paid as a credit to offset their U.S. income tax. The total credit that could be claimed for 1987 was subject to a limitation that had to be calculated separately for eight different categories of income [1]. Foreign taxes paid on income excluded under the foreign-earned income exclusion could not be credited.

ries of income [1]. Foreign taxes paid on income excluded under the foreign-earned income exclusion could not be credited.

## Data Sources and Limitations

The 1987 data presented in this article are based on a stratified sample of individual income tax returns, Forms 1040, *U.S. Individual Income Tax Return*, processed during Calendar Year 1988, with a foreign tax credit or an attached Form 2555, *Foreign Earned Income Exclusion*.

About 3.9 percent of the sampled returns with a foreign tax credit and 12.3 percent of those with a Form 2555 attached were for tax years prior to 1987. These prior-year returns were included as a representation of 1987 returns not included in the 1987 statistics because they were filed after December 31, 1988. However, as some taxpayers needed more time to adjust to the changes in law made by the Tax Reform Act of 1986, there were a greater number of 1986 returns filed late than otherwise expected. Thus, the representation of expected late filed 1987 returns is slightly exaggerated.

Also, because the sample is weighted to represent the estimated population, slight differences on some returns are magnified in the weighted data. Adding or subtracting items across on the tables, therefore, will yield differences which are different from the total and cannot be attributed to rounding.

## Notes and References

- [1] For a definition of "excess housing" costs and the foreign tax credit income categories, see Redmiles, Lissa, "Individual Foreign Earned Income and Tax Credit, 1987", *Statistics of Income Bulletin*, Winter 1991-1992, Volume 11, Number 3. This article also presents the data classified by size of adjusted gross income.

*This data release was written by Lissa Redmiles, an economist with the Foreign Returns Analysis Section, under the direction of Chris Carson, Chief.*

# Individual Foreign-earned Income and Tax Credit, by Country, 1987

**Table 1.—Returns with Foreign-earned Income: Sources of Foreign Income and Exclusions, by Selected Country**

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

Country	Number of returns	Sources of foreign-earned income				
		Salaries and wages	Business or professional net income (less loss)	Partnership net income (less loss)	Total noncash income	Allowances, reimbursements, or expenses paid
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All countries, total.....</b>	<b>171,191</b>	<b>5,846,912</b>	<b>296,866</b>	<b>79,805</b>	<b>164,497</b>	<b>1,578,824</b>
Argentina.....	544	18,462	5,723	-	45	6,463
Australia.....	3,748	116,342	2,479	397	1,750	31,027
Austria.....	1,039	29,040	159	-	9	10,916
Bahamas.....	553	18,667	-	-	545	967
Belgium.....	1,687	83,688	375	1,220	3,956	45,518
Bermuda.....	585	19,828	-	-	12	3,663
Brazil.....	3,140	100,964	3,015	-	1,537	23,254
Canada.....	12,912	436,151	34,784	6,786	1,610	24,430
Chile.....	693	28,286	-	113	1	8,843
China.....	1,011	35,251	603	-	4,188	28,795
Colombia.....	1,346	43,068	876	-	608	13,836
Costa Rica.....	801	16,430	755	40	3,436	2,306
Denmark.....	149	8,952	-	-	242	2,138
Dominican Republic.....	482	14,027	-	1,052	436	607
Ecuador.....	637	12,315	-	-	569	5,892
Egypt.....	1,580	66,496	4,273	2,219	2,837	26,665
France.....	5,392	195,404	11,006	18,976	360	48,030
Greece.....	1,514	41,125	2,301	-	436	2,160
Honduras.....	796	19,147	815	-	-	1,585
Hong Kong.....	3,221	161,338	4,630	2,338	4,372	61,457
India.....	552	12,593	-	-	320	7,151
Indonesia.....	3,062	114,817	1,589	-	6,700	74,153
Israel.....	5,077	96,335	1,927	1	407	6,307
Italy.....	2,679	84,138	14,862	4,362	280	24,483
Japan.....	10,196	395,644	5,470	6,873	17,449	243,461
Kenya.....	1,188	14,621	3,424	-	187	2,778
Malaysia.....	652	20,014	917	-	400	11,070
Mexico.....	2,838	80,988	14,415	-	367	25,470
Netherlands.....	1,897	79,048	1,884	1,369	880	32,033
Nigeria.....	755	25,654	-	-	2,030	13,429
Norway.....	1,072	39,910	2,632	-	1,331	29,691
Pakistan.....	619	13,831	701	-	1,574	2,476
Panama.....	464	17,043	1,355	-	509	4,089
Peru.....	373	13,037	-	-	142	2,731
Philippines.....	3,040	65,993	5,107	-	1,205	13,379
Saudi Arabia.....	13,407	649,669	3,887	8,836	46,825	63,326
Singapore.....	1,781	82,801	132	597	2,938	42,348
South Africa.....	1,473	38,524	1,974	1,136	532	5,247
South Korea.....	2,887	97,604	2,086	-	4,501	29,678
Spain.....	1,789	56,809	3,053	828	408	15,408
Sweden.....	861	26,329	1,209	-	244	1,816
Switzerland.....	4,343	183,094	4,826	721	781	28,657
Taiwan.....	2,441	69,799	4,383	3,030	1,737	22,757
Thailand.....	1,405	34,175	359	-	1,427	16,576
Turkey.....	1,523	53,036	5,712	-	322	3,799
United Arab Emirates.....	1,024	45,055	888	-	3,421	24,462
United Kingdom.....	15,829	709,106	23,041	12,880	10,398	253,264
Venezuela.....	1,729	58,016	686	-	55	11,524
West Germany.....	18,149	458,028	88,675	477	4,159	64,171

Footnote at end of table.

# Individual Foreign-earned Income and Tax Credit, by Country, 1987

**Table 1.—Returns with Foreign-earned Income: Sources of Foreign Income and Exclusions, by Selected Country—Continued**

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

Country	Sources of foreign-earned income—Continued	Less: Meals and lodging excluded	Net foreign-earned income	Housing exclusion from Form 2555	Total exclusion from Form 2555	Deduction from Form 2555
	Other foreign earned income					
	(7)	(8)	(9)	(10)	(11)	(12)
<b>All countries, total.....</b>	<b>223,310</b>	<b>42,873</b>	<b>8,147,355</b>	<b>467,896</b>	<b>6,427,167</b>	<b>16,761</b>
Argentina.....	433	--	30,260	2,855	21,681	92
Australia.....	2,704	55	154,658	4,899	126,325	--
Austria.....	2,262	--	42,387	2,283	37,043	--
Bahamas.....	645	545	20,280	465	17,851	--
Belgium.....	3,711	444	138,023	9,367	96,406	84
Bermuda.....	715	--	24,219	1,519	18,924	143
Brazil.....	3,975	243	132,503	7,222	108,938	5
Canada.....	17,552	--	521,312	3,762	428,416	55
Chile.....	1,382	--	38,625	2,300	32,928	--
China.....	1,357	299	69,894	11,407	53,186	--
Colombia.....	11,627	--	70,015	1,933	51,727	--
Costa Rica.....	29	--	22,916	672	22,126	--
Denmark.....	114	--	11,217	370	8,903	--
Dominican Republic.....	--	--	16,123	137	13,879	5
Ecuador.....	523	290	19,009	526	14,743	165
Egypt.....	1,452	85	103,858	5,423	78,747	71
France.....	9,216	--	282,993	16,288	226,862	547
Greece.....	3,387	--	49,408	1,007	44,948	96
Honduras.....	604	--	22,151	86	20,776	--
Hong Kong.....	2,444	90	236,489	42,107	188,593	1,010
India.....	2,988	--	23,052	1,956	18,934	--
Indonesia.....	6,082	954	202,388	11,905	132,863	1,784
Israel.....	1,813	43	106,746	1,509	102,299	--
Italy.....	152	207	128,070	5,286	98,702	557
Japan.....	11,919	87	680,728	126,324	515,101	2,558
Kenya.....	6,957	--	27,967	985	26,600	--
Malaysia.....	1,042	--	33,443	2,227	29,035	--
Mexico.....	3,432	--	124,672	3,944	96,408	--
Netherlands.....	9,019	--	124,232	7,023	91,616	124
Nigeria.....	1,779	72	42,820	840	29,019	--
Norway.....	61	492	73,132	2,002	45,496	123
Pakistan.....	27	58	18,551	142	16,006	--
Panama.....	250	--	23,247	1,286	17,048	--
Peru.....	--	--	15,910	554	11,833	29
Philippines.....	2,218	265	87,636	3,764	79,200	110
Saudi Arabia.....	5,807	25,027	753,323	9,848	647,341	1,440
Singapore.....	1,558	--	130,374	16,559	111,303	734
South Africa.....	7,250	117	54,545	780	44,776	--
South Korea.....	3,907	584	137,192	9,810	114,323	460
Spain.....	3,509	--	80,015	4,764	58,686	413
Sweden.....	26	--	29,623	699	28,904	--
Switzerland.....	9,680	--	227,759	10,970	182,532	683
Taiwan.....	904	--	102,610	7,913	81,894	--
Thailand.....	1,648	--	54,185	3,014	39,422	--
Turkey.....	227	96	62,999	910	56,902	( <sup>1</sup> )
United Arab Emirates.....	4,347	157	78,016	5,894	63,724	872
United Kingdom.....	37,819	2,080	1,044,426	61,483	703,337	3,115
Venezuela.....	1,758	9	72,030	939	63,709	--
West Germany.....	12,240	2,503	625,246	10,670	482,242	265

<sup>1</sup>Less than \$500.

NOTE: Detail may not add to totals because of rounding. See text for additional information.

# Individual Foreign-earned Income and Tax Credit, by Country, 1987

**Table 2.--Returns with Foreign Tax Credit: Selected Income and Tax Items, by Selected Country**

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

Country	Number of returns	Foreign-source gross income	Total deductions	Foreign-source taxable income	Foreign taxes paid or accrued		
					Total	Taxes on dividends, rents, royalties and interest	Other foreign taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All countries, total.....</b>	<b>561,109<sup>1</sup></b>	<b>7,097,249</b>	<b>1,562,240</b>	<b>5,535,009</b>	<b>1,806,062</b>	<b>162,595</b>	<b>1,643,472</b>
Argentina.....	200	9,110	2,100	7,010	2,999	7	2,992
Australia.....	30,877	196,460	35,941	160,518	54,968	5,318	49,650
Austria.....	122	3,377	1,254	2,123	2,386	1	2,385
Belgium.....	2,104	88,828	15,160	73,668	29,786	207	29,580
Bermuda.....	127	2,621	365	2,256	5,081	4,648	433
Brazil.....	719	47,728	8,343	39,385	20,092	519	19,573
Canada.....	131,928	1,290,937	450,841	840,096	267,928	37,226	230,715
Chile.....	115	7,790	1,010	6,780	3,743	--	3,743
China.....	580	32,944	4,250	28,694	9,989	24	9,966
Colombia.....	503	34,132	4,061	30,071	14,493	12	14,482
Denmark.....	1,900	59,664	11,577	48,087	13,226	219	13,007
Ecuador.....	622	12,062	1,252	10,810	5,643	--	5,643
Egypt.....	411	23,850	4,004	19,845	8,189	391	7,798
Finland.....	492	3,358	639	2,719	21	7	14
France.....	5,691	188,351	38,017	150,334	63,267	2,726	60,539
Greece.....	206	10,724	2,167	8,557	1,670	275	1,395
Hong Kong.....	2,984	97,223	24,591	72,633	20,238	56	20,182
India.....	536	6,545	832	5,713	2,572	5	2,566
Indonesia.....	1,590	150,452	41,302	109,150	60,379	5	60,374
Ireland.....	749	3,479	469	3,010	1,534	156	1,378
Israel.....	11,356	100,034	7,776	92,257	27,052	2,136	24,915
Italy.....	1,119	47,955	8,573	39,381	21,114	447	20,667
Japan.....	20,012	633,664	86,881	546,782	198,595	4,374	194,221
Luxembourg.....	149	3,773	530	3,243	1,947	32	1,915
Malaysia.....	386	15,512	1,428	14,084	8,311	17	8,294
Mexico.....	11,323	87,044	11,476	75,567	33,679	3,187	30,492
Netherlands.....	35,454	135,318	21,607	113,711	34,970	9,915	25,055
New Zealand.....	2,450	27,174	1,940	25,234	6,434	573	5,861
Nigeria.....	399	17,564	1,743	15,821	7,468	26	7,441
Norway.....	1,895	74,156	4,830	69,326	38,310	552	37,758
Panama.....	634	14,904	3,339	11,566	3,272	--	3,272
Peru.....	1,012	9,658	4,232	5,426	2,033	541	1,492
Philippines.....	794	13,398	3,948	9,449	2,729	114	2,615
Puerto Rico.....	17,049	453,793	57,909	395,884	80,349	2,582	77,767
Saudi Arabia.....	3,363	209,986	124,273	85,714	4,116	10	4,105
Singapore.....	1,972	35,296	4,648	30,648	11,236	161	11,075
South Africa.....	67,470	127,726	13,278	114,447	20,552	13,151	7,399
South Korea.....	1,124	26,297	5,188	21,109	11,728	64	11,665
Spain.....	3,055	54,990	4,320	50,670	17,916	478	17,437
Sweden.....	4,043	58,187	12,076	46,111	16,616	277	16,339
Switzerland.....	12,560	199,404	41,753	157,651	43,468	15,506	27,963
Taiwan.....	450	36,230	5,226	31,004	11,889	2,555	9,334
Thailand.....	230	20,626	2,657	17,969	11,652	--	11,652
Turkey.....	112	6,267	1,461	4,806	1,902	( <sup>2</sup> )	1,902
United Kingdom.....	58,712	860,068	169,370	690,698	299,044	20,704	278,339
Venezuela.....	501	25,815	8,426	17,388	5,653	314	5,339
Virgin Islands (U.S.).....	968	16,755	2,013	14,741	3,879	1,844	2,035
West Germany.....	7,929	429,504	106,064	323,440	141,464	9,313	132,153

<sup>1</sup> Includes 42,759 returns with a foreign tax credit for which supporting Form 1116 was not available. Therefore, information on foreign income and taxes (columns 2-7) and country for these returns is not included in the statistics. Also, number of returns is not additive because some taxpayers report income and taxes for more than one country.

<sup>2</sup> Less than \$500.

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

# Federal Personal Income Tax Liabilities and Payments, 1959-1991

by Thae S. Park

**T**his article presents estimates of Federal personal income tax liabilities and payments for 1959-1991 (Table 1). The estimates of liabilities and payments have been revised for 1959-1988 and extended to 1991. They incorporate the results of the comprehensive revision of the national income and product accounts (NIPA's) released in December 1991, revised estimates of the NIPA's for 1989-91 released in July 1992, and recently available data from the following Internal Revenue Service (IRS) sources: *Statistics of Income, Individual Income Tax Returns (SOI)*, annual reports for 1988-1990, and unpublished information on individual income tax collections for liability year 1991.

This article first presents an overview of the tax liabilities and payments measures and the reasons why they differ. It then discusses the differences for 1986-1991 and the sources of revision to the estimates for 1959-1988.

## Overview

In the NIPA's, personal income taxes are recorded on a payment basis--that is, at the time tax payments are made by or on behalf of persons [1]. For certain types of analysis, personal income taxes recorded on a liability basis--that is, at the time persons earn their income and incur their tax liability--may be more appropriate.

The payment series, which appears in Table 3.4 of the "National Income and Product Accounts Tables," consists of three parts: withheld taxes; declarations and final settlements, or "nonwithheld taxes;" and refunds [2]. Withheld income taxes are those withheld at the income source. Declarations are estimated taxes paid quarterly, largely on income not subject to withholding, and final settlements are additional taxes paid either at the time of filing tax returns or as the result of audits. Refunds, made when payments exceed liabilities, occur at the time of filing tax returns.

The liability series is derived from *SOI* estimates of total income tax; Bureau of Economic Analysis (BEA) adjusts these estimates to take account of earned income credits, fiduciary income tax, unrelated business income tax of exempt organizations, and audit assessments. When the *SOI* estimates of total income tax are not available, the

liability series is derived from unpublished information on individual income tax collections.

For taxes withheld from wages and salaries, differences between tax liabilities and payments arise for several reasons. First, prior to February 1992, overwithholding was built into the withholding tables used by employers; withholding was computed on the amount of total wages less one personal exemption for each withholding allowance claimed. Second, the withholding tables are constructed under the assumption that taxpayers use the standard deduction in calculating their income tax liabilities; overwithholding results when taxpayers who itemize their deductions do not request enough exemptions for withholding purposes. Third, withholding is based on the assumption that wages remain unchanged during the year; overwithholding results when wages change from one pay period to another and are subject to different withholding rates. Fourth, changes in withholding rates may not always coincide with changes in liabilities; tax law provisions usually are effective on January 1, but corresponding changes in withholding rates sometimes occur later. Fifth, at the option of the employer, taxes withheld on income from bonuses, commissions, overtime pay, sick pay, and taxable fringe benefits may be based on a flat 20-percent rate.

For some types of taxable incomes, differences arise because taxes withheld have no direct relationship to the corresponding liabilities. For interest, dividends, and certain other types of income, an arbitrary 20 percent is withheld if the recipient fails to furnish an accurate taxpayer identification number (this withholding was initiated in 1984 as a compliance measure). For pensions and annuities, withholding is at the option of the taxpayer.

For incomes not subject to withholding (primarily income from proprietorships, partnerships, and S Corporations, from capital gains, and from taxable social security benefits), differences arise because the proportion of the current year's liabilities that must be paid to avoid a penalty is less than 100 percent and because the last installment of quarterly estimated taxes and any final settlements are made in the year after the liabilities were incurred. As a result, payments of nonwithheld taxes during a tax year do not always reflect that year's income. Thus, when incomes not subject to withholding are increasing, payments tend to lag liabilities.

Refunds arise from overpayment of taxes. Actual refunds are recorded in the payment series as negative payments in the calendar quarter [in which] they are made by the Treasury. Thus, refunds are unrelated to the current year's liabilities.

*Thae S. Park is an economist in the Government Division, Bureau of Economic Analysis, U.S. Department of Commerce. This article was originally published in the Commerce Department publication, Survey of Current Business, Volume 72, Number 8, August 1992, under the more complete title, "Federal Personal Income Tax Liabilities and Payments: Revised and Updated Estimates, 1959-91."*

## Federal Personal Income Tax Liabilities and Payments, 1959-1991

### Differences for 1986-1991

For 1986, liabilities exceeded payments by \$25.1 billion. This substantial difference reflected unusually large taxable capital gains declared that year; these gains increased from \$68.3 billion in 1985 to \$132.8 billion in 1986, when the preferential tax treatment of long-term capital gains was repealed by the Tax Reform Act of 1986 (TRA). Under the TRA, capital gains are taxed at the same rate as ordinary income, except that in 1987 the top rate was limited to 28 percent. Under the previous law, long-term capital gains were taxed at only 40 percent of the ordinary income tax rates, which put the top rate at 20 percent. Many taxpayers, faced with the higher rates, accelerated realizations of capital gains into the fourth quarter of 1986; as a result, liabilities increased sharply for 1986, and payments increased sharply for 1987. Because capital gains are not subject to withholding, 1986 payments were affected little by the accelerated realizations.

For 1987, payments exceeded liabilities by \$14.9 billion. The excess reflected the final settlements of the 1986 capital gains tax liabilities, which increased payments, particularly in the second quarter of 1987.

For 1988, liabilities exceeded payments by \$17.2 billion. The excess partly reflected a large increase in the incomes of partnerships and of S Corporations, for which taxes are not withheld. The large increase in these incomes--from \$24.3 billion in 1987 to \$57.1 billion in 1988--was affected by the TRA's phasing out of passive losses beginning in 1987.

For 1989-1991, payments exceeded liabilities in each year. In the absence of major changes in tax law affecting

personal income tax liabilities, excess payments are expected because of the overwithholding inherent in the withholding system. New withholding rates that went into effect in February 1992 are expected to reduce excess payments in the future.

### Sources of Revisions for 1959-1988

Table 2 shows the revisions in the annual estimates of the liability and payment series for 1959-1988. The annual estimates of liabilities are revised for 1977-1979 and for 1987-88 to reflect revised IRS data; the quarterly liability estimates are revised for all years to reflect the incorporation of revised data from the comprehensive revision of the NIPA's [3]. For payments, the revisions for 1959-1988 in both the annual and quarterly estimates also reflect the incorporation of the comprehensive NIPA revision.

### Footnotes and References

- [1] In the NIPA's, persons consist of individuals, nonprofit institutions that primarily serve individuals, private noninsured welfare funds, and private trust funds.
- [2] These tables are published annually in the *Survey of Current Business*, Bureau of Economic Analysis, U.S. Department of Commerce; they appeared most recently in the July 1992 issue.
- [3] The revision is described in "The Comprehensive Revision of the U.S. National Income and Product Accounts: A Review of Revisions and Major Statistical Changes," *Survey*, op. cit., Volume 71, December 1991, pp. 24-42.



# Federal Personal Income Tax Liabilities and Payments, 1959-1991

**Table 1.--Federal Personal Income Tax Liabilities and Payments, 1959-1991**

[Money amounts are in billions of dollars, quarters seasonally adjusted annual rates]

Income year and quarter	Personal income taxes			Addenda	
	Liability basis <sup>1</sup>	Payment basis <sup>2</sup>	Excess of liability basis over payment basis	Personal income <sup>3</sup>	Taxable income <sup>4</sup>
	(1)	(2)	(3)	(4)	(5)
1959.....	39.5	38.4	1.1	391.2	166.5
1960.....	40.4	41.7	-1.3	409.2	171.6
1961.....	43.3	42.6	0.7	426.5	181.8
1962.....	46.0	46.4	-0.4	453.4	195.3
1963.....	49.4	49.0	0.4	476.4	209.1
1964.....	48.5	45.8	2.7	510.7	229.9
1965.....	50.9	50.9	--	552.9	255.1
1966.....	57.5	58.4	-0.9	601.7	286.3
1967.....	64.3	64.1	0.2	646.5	315.1
1968.....	78.2	76.2	2.0	709.9	352.8
1969.....	88.1	91.1	-3.0	773.7	388.8
1970.....	85.2	88.5	-3.3	831.0	401.2
1971.....	86.9	85.3	1.6	893.5	414.0
1972.....	95.2	102.3	-7.1	980.5	447.6
1973.....	109.9	109.1	0.8	1,098.7	511.9
1974.....	125.5	126.0	-0.5	1,205.7	573.7
1975.....	117.6	120.4	-2.8	1,307.3	595.6
1976.....	143.2	140.8	2.4	1,446.3	674.9
1977.....	161.7	161.8	-0.1	1,601.3	939.0
1978.....	190.7	188.4	2.3	1,807.9	1,062.2
1979.....	216.8	224.0	-7.2	2,033.1	1,157.2
1980.....	253.3	249.5	3.8	2,265.4	1,280.0
1981.....	288.0	290.1	-2.1	2,534.7	1,410.9
1982.....	289.9	295.0	-5.1	2,690.9	1,473.3
1983.....	279.9	286.3	-6.4	2,862.5	1,544.9
1984.....	308.8	301.5	7.3	3,154.6	1,701.4
1985.....	334.0	335.8	-1.8	3,379.8	1,820.7
1986.....	375.0	349.9	25.1	3,590.4	1,947.0
1987.....	377.6	392.5	-14.9	3,802.0	1,850.6
1988.....	418.5	401.3	17.2	4,075.9	2,070.0
1989.....	437.0	451.7	-14.7	4,380.3	2,173.3
1990.....	454.3	470.1	-15.8	4,664.2	2,280.9
1991.....	447.6	461.4	-13.8	4,828.3	n.a.
1959: I.....	37.8	37.1	0.7	382.4	161.3
II.....	39.8	38.2	1.6	390.9	167.2
III.....	39.8	38.6	1.2	392.9	167.4
IV.....	40.8	39.6	1.2	398.5	170.2
1960: I.....	39.8	41.1	-1.3	404.4	169.8
II.....	40.6	41.7	-1.1	408.9	172.1
III.....	40.8	42.2	-1.4	411.1	172.7
IV.....	40.5	42.0	-1.5	412.6	171.9
1961: I.....	41.1	42.1	-1.0	416.3	175.4
II.....	42.4	42.4	--	422.2	179.0
III.....	43.8	42.7	1.1	429.4	183.3
IV.....	45.8	43.3	2.5	438.2	189.5

Footnotes at end of table.

# Federal Personal Income Tax Liabilities and Payments, 1959-1991

**Table 1.--Federal Personal Income Tax Liabilities and Payments, 1959-1991--Continued**

[Money amounts are in billions of dollars, quarters seasonally adjusted annual rates]

Income year and quarter	Personal income taxes			Addenda	
	Liability basis <sup>1</sup>	Payment basis <sup>2</sup>	Excess of liability basis over payment basis	Personal income <sup>3</sup>	Taxable income <sup>4</sup>
	(1)	(2)	(3)	(4)	(5)
1962: I.....	44.1	44.4	-0.3	443.7	189.6
II.....	45.8	45.8	--	451.3	194.7
III.....	46.5	47.1	-0.6	456.5	197.1
IV.....	47.4	48.2	-0.8	462.1	199.8
1963: I.....	47.2	48.7	-1.5	466.8	202.5
II.....	48.5	48.9	-0.4	471.8	206.8
III.....	49.9	49.0	0.9	478.6	210.8
IV.....	51.8	49.5	2.3	488.1	216.5
1964: I.....	45.8	47.8	-2.0	497.0	220.8
II.....	47.6	43.6	4.0	505.7	226.9
III.....	49.4	45.2	4.2	515.4	233.2
IV.....	51.0	46.7	4.3	524.6	238.6
1965: I.....	47.8	50.3	-2.5	534.8	243.9
II.....	49.7	51.7	-2.0	544.8	250.7
III.....	51.6	50.2	1.4	559.0	257.5
IV.....	54.6	51.3	3.3	572.9	268.2
1966: I.....	54.3	54.2	0.1	584.3	275.1
II.....	56.3	57.8	-1.5	593.9	282.0
III.....	58.6	59.6	-1.0	607.5	290.5
IV.....	60.6	62.0	-1.4	621.1	297.6
1967: I.....	61.5	62.6	-1.1	631.1	305.1
II.....	62.9	62.4	0.5	638.6	310.1
III.....	65.4	64.9	0.5	652.3	318.8
IV.....	67.6	66.6	1.0	664.0	326.4
1968: I.....	73.0	68.6	4.4	682.4	336.1
II.....	76.6	71.1	5.5	702.0	347.5
III.....	80.1	80.8	-0.7	719.6	358.9
IV.....	83.2	84.2	-1.0	735.4	368.7
1969: I.....	82.7	90.1	-7.4	747.4	371.7
II.....	86.3	92.7	-6.4	764.9	383.2
III.....	90.3	90.2	0.1	783.8	395.8
IV.....	93.1	91.3	1.8	798.7	404.6
1970: I.....	83.3	90.2	-6.9	808.1	394.7
II.....	84.0	91.0	-7.0	827.9	397.1
III.....	86.3	86.0	0.3	839.0	404.9
IV.....	87.2	86.8	0.4	849.0	407.9
1971: I.....	82.8	83.1	-0.3	866.3	400.2
II.....	85.5	84.6	0.9	887.8	409.4
III.....	88.2	85.8	2.4	901.3	418.3
IV.....	91.1	87.7	3.4	918.7	428.1

Footnotes at end of table.

# Federal Personal Income Tax Liabilities and Payments, 1959-1991

**Table 1.—Federal Personal Income Tax Liabilities and Payments, 1959-1991—Continued**

[Money amounts are in billions of dollars, quarters seasonally adjusted annual rates]

Income year and quarter	Personal income taxes			Addenda	
	Liability basis <sup>1</sup>	Payment basis <sup>2</sup>	Excess of liability basis over payment basis	Personal income <sup>3</sup>	Taxable income <sup>4</sup>
	(1)	(2)	(3)	(4)	(5)
1972: I.....	88.9	99.8	-10.9	945.0	426.5
II.....	92.0	102.0	-10.0	959.7	436.7
III.....	96.7	102.6	-5.9	987.3	452.6
IV.....	103.3	104.8	-1.5	1,029.9	474.8
1973: I.....	102.1	104.0	-1.9	1,053.7	486.2
II.....	106.4	106.4	-	1,078.6	500.3
III.....	111.7	110.5	1.2	1,108.5	518.0
IV.....	119.3	115.5	3.8	1,153.9	543.1
1974: I.....	119.9	119.0	0.9	1,165.5	555.5
II.....	122.3	124.3	-2.0	1,185.6	563.2
III.....	128.2	129.2	-1.0	1,223.9	582.6
IV.....	131.5	131.5	-	1,247.7	593.3
1975: I.....	111.6	131.9	-20.3	1,255.1	572.8
II.....	112.3	94.3	18.0	1,284.7	581.0
III.....	119.9	125.3	-5.4	1,324.8	602.9
IV.....	126.4	130.0	-3.6	1,384.5	625.9
1976: I.....	135.6	132.3	3.3	1,400.7	649.2
II.....	140.6	138.0	2.6	1,426.4	665.8
III.....	145.3	143.8	1.5	1,460.5	681.9
IV.....	151.5	149.3	2.2	1,497.6	702.6
1977: I.....	150.4	154.5	-4.1	1,534.6	692.4
II.....	157.8	160.2	-2.4	1,575.0	723.2
III.....	165.7	161.9	3.8	1,626.8	755.6
IV.....	172.7	170.4	2.3	1,668.8	784.6
1978: I.....	174.0	172.6	1.4	1,712.3	796.2
II.....	186.9	182.2	4.7	1,783.6	1,047.2
III.....	195.7	194.6	1.1	1,838.8	1,082.1
IV.....	206.1	204.3	1.8	1,896.8	1,123.3
1979: I.....	200.8	210.7	-9.9	1,947.9	1,105.5
II.....	209.9	219.1	-9.2	1,995.1	1,134.9
III.....	222.0	228.6	-6.6	2,063.8	1,174.1
IV.....	234.5	237.7	-3.2	2,125.7	1,214.5
1980: I.....	241.6	237.1	4.5	2,190.5	1,242.1
II.....	242.3	243.0	-0.7	2,206.0	1,244.2
III.....	253.4	251.7	1.7	2,281.9	1,280.5
IV.....	275.7	266.1	9.6	2,383.2	1,353.1
1981: I.....	274.6	277.3	-2.7	2,453.9	1,364.8
II.....	282.6	287.9	-5.3	2,497.5	1,392.2
III.....	294.5	300.3	-5.8	2,580.2	1,433.0
IV.....	300.5	294.8	5.7	2,607.1	1,453.5

Footnotes at end of table.

# Federal Personal Income Tax Liabilities and Payments, 1959-1991

## Table 1.—Federal Personal Income Tax Liabilities and Payments, 1959-1991—Continued

(Money amounts are in billions of dollars, quarters seasonally adjusted annual rates)

Income year and quarter	Personal income taxes			Addenda	
	Liability basis <sup>1</sup>	Payment basis <sup>2</sup>	Excess of liability basis over payment basis	Personal income <sup>3</sup>	Taxable income <sup>4</sup>
	(1)	(2)	(3)	(4)	(5)
1982: I.....	282.2	294.6	-12.4	2,626.7	1,438.2
II.....	288.6	301.1	-12.5	2,679.9	1,467.3
III.....	292.2	289.2	3.0	2,710.4	1,483.9
IV.....	296.6	295.3	1.3	2,746.8	1,504.0
1983: I.....	270.7	289.0	-18.3	2,772.2	1,497.1
II.....	276.3	294.8	-18.5	2,832.7	1,526.2
III.....	277.9	276.9	1.0	2,879.4	1,534.4
IV.....	294.7	284.5	10.2	2,965.8	1,621.8
1984: I.....	293.7	287.7	6.0	3,062.1	1,642.0
II.....	305.0	294.4	10.6	3,121.7	1,686.4
III.....	315.5	306.8	8.7	3,192.1	1,727.7
IV.....	321.0	317.1	3.9	3,242.5	1,749.4
1985: I.....	322.4	351.9	-29.5	3,313.0	1,775.5
II.....	329.8	306.9	22.9	3,358.0	1,804.6
III.....	336.5	339.6	-3.1	3,391.3	1,830.4
IV.....	347.3	345.0	2.3	3,456.7	1,872.5
1986: I.....	365.4	340.7	24.7	3,521.4	1,911.2
II.....	373.1	343.6	29.5	3,580.7	1,939.7
III.....	377.7	351.4	26.3	3,612.0	1,956.7
IV.....	384.1	364.0	20.1	3,647.8	1,980.5
1987: I.....	361.5	358.3	3.2	3,715.8	1,792.2
II.....	367.7	410.7	-43.0	3,759.5	1,814.7
III.....	379.1	393.9	-14.8	3,814.2	1,856.4
IV.....	401.9	407.2	-5.3	3,918.5	1,939.1
1988: I.....	402.9	389.4	13.5	3,967.7	2,012.8
II.....	413.3	404.9	8.4	4,037.9	2,051.2
III.....	422.4	400.4	22.0	4,102.9	2,084.3
IV.....	435.3	410.8	24.5	4,195.2	2,131.6
1989: I.....	424.0	440.0	-16.0	4,305.2	2,125.7
II.....	432.2	456.7	-24.5	4,357.4	2,155.6
III.....	439.5	450.7	-11.2	4,389.2	2,182.5
IV.....	452.2	459.4	-7.2	4,469.4	2,229.5
1990: I.....	440.9	463.3	-22.4	4,571.7	2,231.1
II.....	454.0	471.4	-17.4	4,640.5	2,279.9
III.....	459.3	474.6	-15.3	4,692.6	2,299.5
IV.....	462.9	471.0	-8.1	4,751.9	2,313.2
1991: I.....	434.4	462.9	-28.5	4,752.8	n.a.
II.....	447.3	461.6	-14.3	4,806.9	n.a.
III.....	452.5	460.6	-8.1	4,846.2	n.a.
IV.....	456.1	460.5	-4.4	4,907.2	n.a.

n.a. - Not available.

<sup>1</sup> This series is derived by the Bureau of Economic Analysis based on data from the following Internal Revenue Service sources: Statistics of Income—Individual Income Tax Returns, annual reports for 1959-1990, and unpublished information on individual income tax collections for Liability Year 1991.

<sup>2</sup> This series appears in Table 3.4 of the "National Income and Product Accounts Tables," most recently in the July 1992 Survey of Current Business.

<sup>3</sup> This series appears in Table 2.1 of the "Selected NIPA Tables" in the Survey of Current Business.

<sup>4</sup> Annual totals appear in Statistics of Income—Individual Income Tax Returns. Quarterly estimates are derived by the Bureau of Economic Analysis.

# Federal Personal Income Tax Liabilities and Payments, 1959-1991

**Table 2.--Revisions in Annual Tax Liabilities and Payments, 1959-1988**

[Money amounts are in billions of dollars]

Income year	Liability basis			Payment basis			Excess of liability basis over payment basis		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1959.....	39.5	39.5	--	38.5	38.4	-0.1	1.0	1.1	0.1
1960.....	40.4	40.4	--	41.8	41.7	-0.1	-1.4	-1.3	0.1
1961.....	43.3	43.3	--	42.7	42.6	-0.1	0.6	0.7	0.1
1962.....	46.0	46.0	--	46.5	46.4	-0.1	-0.5	-0.4	0.1
1963.....	49.4	49.4	--	49.2	49.0	-0.2	0.2	0.4	0.2
1964.....	48.5	48.5	--	46.0	45.8	-0.2	2.5	2.7	0.2
1965.....	50.9	50.9	--	51.1	50.9	-0.2	-0.2	--	0.2
1966.....	57.5	57.5	--	58.6	58.4	-0.2	-1.1	-0.9	0.2
1967.....	64.3	64.3	--	64.4	64.1	-0.3	-0.1	0.2	0.3
1968.....	78.2	78.2	--	76.5	76.2	-0.3	1.7	2.0	0.3
1969.....	88.1	88.1	--	91.5	91.1	-0.4	-3.4	-3.0	0.4
1970.....	85.2	85.2	--	88.8	88.5	-0.3	-3.6	-3.3	0.3
1971.....	86.9	86.9	--	85.7	85.3	-0.4	1.2	1.6	0.4
1972.....	95.2	95.2	--	102.7	102.3	-0.4	-7.5	-7.1	0.4
1973.....	109.9	109.9	--	109.5	109.1	-0.4	0.4	0.8	0.4
1974.....	125.5	125.5	--	126.4	126.0	-0.4	-0.9	-0.5	0.4
1975.....	117.6	117.6	--	120.8	120.4	-0.4	-3.2	-2.8	0.4
1976.....	143.2	143.2	--	141.5	140.8	-0.7	1.7	2.4	0.7
1977.....	161.6	161.7	0.1	162.5	161.8	-0.7	-0.9	-0.1	0.8
1978.....	190.6	190.7	0.1	189.5	188.4	-1.1	1.1	2.3	1.2
1979.....	216.7	216.8	0.1	225.2	224.0	-1.2	-8.5	-7.2	1.3
1980.....	253.3	253.3	--	251.1	249.5	-1.6	2.2	3.8	1.6
1981.....	288.0	288.0	--	291.7	290.1	-1.6	-3.7	-2.1	1.6
1982.....	289.9	289.9	--	296.5	295.0	-1.5	-6.6	-5.1	1.5
1983.....	279.9	279.9	--	288.1	286.3	-1.8	-8.2	-6.4	1.8
1984.....	308.8	308.8	--	303.7	301.5	-2.2	5.1	7.3	2.2
1985.....	334.0	334.0	--	339.3	335.8	-3.5	-5.3	-1.8	3.5
1986.....	375.0	375.0	--	353.5	349.9	-3.6	21.5	25.1	3.6
1987.....	379.4	377.6	-1.8	397.2	392.5	-4.7	-17.8	-14.9	2.9
1988.....	421.3	418.5	-2.8	405.7	401.3	-4.4	15.6	17.2	1.6

NOTE: The annual estimates of the liability series for 1959-1976 and 1980-1986 are not revised; however, the quarterly estimates of the liability series are revised for these periods.

# SOI Abstracts

The abstracts which follow are reprinted here to inform readers about methodological, analytical and descriptive papers written by Statistics of Income (SOI) Division personnel, about SOI data or about their methodological research. These papers were either presented at formal conferences or meetings and printed in "proceedings" or other published volumes or were invited papers for professional journals. Copies of the papers may be obtained by writing to the Director, Statistics of Income Division R:S:P, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608, or by calling the SOI Statistical Information Services Office on (202) 874-0410.

## 1992 Proceedings of the American Statistical Association, Section on Survey Research Methods

### **Preliminary Estimates from the 1990 SOI Corporate Sample, Susan Hinkins and Jeri Mulrow**

Sample selection for the 1990 Statistics of Income corporate sample was completed in June 1992 and the final estimates of financial information became available December 1992. For 1990 data, users were provided with preliminary estimates in May, based on approximately 75 percent of the sample. Because of the skewed distribution of the population, the very largest corporations must all be in the sample in order for the estimates to be complete. In an extreme example, it has happened that for one industrial category, the largest return accounted for 98 percent of the total population amount for a particular variable. Therefore, the first priority was to identify and recover at least partial information for the crucial returns for the preliminary estimates. For the rest of the sample, simple weighting and ratio estimation techniques were considered. In this paper, the advance data estimation problem and the procedures used in the first (pilot) year are described.

### **Methodological Issues in the Estimation of the Distribution of Household Net Worth: Results from the 1989 Survey of Consumer Finances, Arthur B. Kennickell and R. Louise Woodburn**

Information on the distribution of household wealth is of great interest to policymakers, academic researchers and the general public. Results derived from the 1989 Survey of Consumer Finances (SCF) on the distribution of household wealth have been widely publicized in the media. What was not publicized was the methodology underlying the estimates. Several serious problems confront anyone interested in measuring the composition and distribution of family net worth. Historically, very little effort has been expended on the collection of such data. Also, because net worth has a highly skewed distribution, typical random sampling schemes, such as multi-stage area probability sampling, would not likely yield a sufficient number of families from the top of the net worth distribution. Finally, experience has indicated that wealthier families are less likely to participate in financial surveys. Since 1983, the SCF has focused on obtaining representative information on family balance sheets. The sample was designed to provide adequate systematic adjustments for nonresponse among such families. In this paper, the results derived from the 1989 SCF are presented to examine the overall distribution of the net worth of U.S. families. In order to assess the precision of the estimates for a number of statistics on the net worth distribution, calculations of standard errors due to imputation of missing data and due to sampling error are presented. The methodology used to compute the precision estimates are also detailed.

### **Weighting a Panel of Individual Tax Returns for Cross-sectional Estimation, Allen L. Schirm and John L. Czajka**

In 1989, the Statistics of Income Division of the Internal Revenue Service selected nearly 90,000 tax filing units from its 1987 Tax Year sample to begin a panel of individual taxpayers. The base-year panel sample was highly stratified by income, with sampling rates ranging from 0.02 percent to 100 percent. The panel sample will remain representative of taxpayers who filed returns processed in 1988. Thus, design-based weights which are straightforward to derive, will support unbiased estimates of the numerous income and tax characteristics collected each year. The dynamic behavior of the sample, however, introduces growing inefficiency into the design-based weights. Specifically, the income concept used to define base-year stratum membership is sufficiently volatile that the gross movement of panel members from their base-year strata to other cross-sectional strata in later years is substantial. This causes wide variation in design-based weights among returns with similar incomes in later years or, equivalently, wide variation in incomes among returns with equal design-based weights. This paper examines the loss of efficiency in the design-based weights and explores other methods of weighting the returns for cross-sectional estimation.

**1992 Proceedings of the American Statistical Association, Social Statistics Section**

**Managing Multiple Uses of Panels, *Susan Hostetter***

The Internal Revenue Service has developed a panel of 90,000 "tax family" units, and currently has 4 years of data available. Two additional panels (for the Survey of Consumer Finances and for a linkage of estate tax returns with other related returns) have been added to the panel. Managing and controlling the individuals in the sample and their overlapping occurrence presents a considerable challenge to users. This paper focuses on identification, management and information created on a single control file to meet the needs of each user.

**Analyzing Longitudinal Data Linkages in a Panel of Individual Tax Returns, *Diane Steffick***

The Statistics of Income Individual Panel consists of "tax family" units which are re-selected from year to year to provide longitudinal data on the same individuals over time for tax policy analysis. This paper looks at the linkages between the tax family units and between years. It describes the methodology used to undertake the initial review of the linked longitudinal family data (330,956 returns). The paper also highlights differences and changes in family structures and their effects on the tax reporting behavior of individuals. The results of this review and documentation will determine the tax family structure for tax policy analysis.

**1992 Proceedings of the American Statistical Association, Section on Quality and Productivity**

**Question Development Process for the IRS Test Call System, *Jonathan Daniels and Mary Batcher***

Since 1988, the Internal Revenue Service has operated the Integrated Test Call Survey System to assess the accuracy of the information provided to the public through its telephone assistance program. The test call program uses a test consisting of questions in narrative form about the filing of individual income tax returns. This paper describes the process used to develop the test questions to represent, as closely as possible, actual taxpayer inquiries. The design of the question sample and methods are discussed and the results of the question development process presented.

**Quality Improvement Within the IRS: A Case Study, *Glenn D. White, Jr.***

Despite a growing body of literature on quality improvement and applications, people working in office, specifically Government service, processes still have a hard time finding examples of quality efforts that pertain to their situation. The paper addresses the problems encountered when a team within the Statistics of Income Division of the IRS attempts to satisfy the non-statistical IRS operational "customers". The paper describes the systematic approach for developing tools and improving the communication efforts. To be successful, the project team draws on various tools and on its own creativity to accomplish the work.

**Business Economics (A quarterly publication of the National Association of Business Economists)**

**The Statistics of Income Program of the Internal Revenue Service, Part 1, *Tom Petska, Fritz Scheuren and Bob Wilson (April 1992)***

This article is the first of two that provide a brief overview of the Statistic of Income (SOI) program — its history, products and services. In this first article, background information on the statutory origins and statistical processing of tax return information is provided. The major SOI programs and their principal customers are then summarized. In the second article (see below), ongoing innovations in the functional structure and technologies in SOI are described. Finally, issues of access to confidential tax return information and services to users are discussed.

**Information from Tax Returns: The Statistics of Income Program of the Internal Revenue Service: Part 2, *Tom Petska and Fritz Scheuren (July 1992)***

This article is the second of two reviewing the projects and operations of the Statistics of Income (SOI) program. Although SOI is a relatively small (and obscure) statistical agency, SOI data are, nonetheless, a part of the bedrock of the U.S. statistical system and central to the understanding of the economy as a whole. This article concludes with a description of short-term modernization of work processes and an overview of longer-term innovations geared toward shaping the future.

**Journal of Official Statistics (Statistics Sweden, forthcoming in early 1993)**

**Turning Administrative Systems into Information Systems, Fritz Scheuren and Tom Petska**

This article is an overview of the tax and economic statistics operations conducted at the Internal Revenue Service (IRS) by the Statistics of Income (SOI) program. Like the article for *Business Economics* (cited above), this article opens with a brief overview of the statutory history that has led to the development of the Statistics function in the IRS. The article describes the "core" statistical systems of SOI; sample design and selection; data capture techniques; data "cleaning;" weighting and estimating; and the final tables and customer analyses. The third section of the article provides descriptions of the major SOI programs. In the final section, current efforts to improve the SOI information systems are described, including initiatives on statistical practice and quality management.

**Proceedings of the Eighty-fifth Annual Conference on Taxation, National Tax Association**

**Turning Administrative Systems into Information Systems: The Statistics of Income Program of the IRS, Tom Petska and Fritz Scheuren**

This article, like those for *Business Economics* and the *Journal of Official Statistics* (cited above), is an overview of the tax and economic statistics operations conducted at the Internal Revenue Service by the Statistics of Income (SOI) program. The article first describes the close association SOI has with Treasury's Office of Tax Analysis and the Congressional Joint Committee on Taxation. The individual, corporate, partnership and sole proprietorship programs are then briefly described, with an additional description of the international and other special SOI studies. The third section briefly describes the processes and operations used in SOI to convert administrative data into a statistical information system. The final section briefly describes how SOI is changing to better meet the informational needs of its many customers.

**The Corporate Alternative Minimum Tax: A Year-by-Year Analysis of Tax Return Data from 1987 to 1990 by Major Industries, Amy Gill and Patrice Treubert**

The alternative minimum tax (AMT) for corporations began with the Tax Reform Act of 1986. Since that time, 4 years of data have been collected on the tax, and the preliminary results for Tax Year 1990 show that the tax has increased significantly. This paper examines the types of alternative minimum tax payers in terms of their industry and asset size for the 4 years of data available. The composition of the income on which the tax was based is considered, with the analysis focusing on components that are responsible for the changes in AMT. Finally, a closer look is given to the large increase in AMT between 1989 and 1990 and the types of companies that were most responsible for it.

**Proceedings of Statistics Canada Symposium 92: Design and Analysis of Longitudinal Surveys, November 1992**

**Exploring Nonsampling Error in a Longitudinal Survey of Individual Taxpayers, Susan Hostetter**

In an effort to respond to the expanding and varied data needs of tax policy researchers, the Internal Revenue Service has built longitudinal studies into its statistical samples of individual income tax filers. This paper examines the largest of those panel studies — a 1987-based panel of 90,000 individual taxpayer families. Both anecdotal and empirical evidence of nonsampling errors are presented, and the methods IRS has used to correct or compensate to improve data for estimation and tax policy modelling purposes are described.



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**Notice:** The data on the following pages are the latest and most accurate available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

# Selected Historical and Other Data

**Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1970-1990**

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

Item	1970	1975	1980	1985	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All returns</b> .....	<b>74,279,831</b>	<b>82,229,332</b>	<b>93,902,469</b>	<b>101,660,287</b>	<b>109,708,280</b>	<b>112,135,673</b>	<b>113,717,138</b>
Form 1040 returns .....	74,279,831	54,527,726	57,122,592	67,006,425	71,359,242	71,563,456	69,270,236
Form 1040A returns .....	N/A	27,701,606	36,779,877	18,124,702	19,066,165	20,478,063	25,917,288
Form 1040EZ returns .....	N/A	N/A	N/A	16,529,160	19,282,873	20,094,154	18,529,614
<b>Adjusted gross income (AGI)</b> <sup>1</sup> .....	<b>631,692,540</b>	<b>947,784,873</b>	<b>1,613,731,497</b>	<b>2,305,951,483</b>	<b>3,083,019,783</b>	<b>3,256,358,156</b>	<b>3,405,427,348</b>
Salaries and wages:							
Number of returns .....	66,965,659	73,520,046	83,802,109	87,198,001	93,257,370	95,487,922	96,729,912
Amount .....	531,883,892	795,399,462	1,349,842,802	1,928,200,978	2,337,984,129	2,449,530,553	2,599,401,271
Taxable interest received:							
Number of returns .....	32,630,355	40,378,240	49,019,575	64,526,434	69,421,338	69,881,648	70,369,662
Amount .....	22,021,267	43,433,554	12,009,444	182,109,194	186,981,636	220,015,823	227,083,888
Tax-exempt interest:							
Number of returns .....	n.a.	n.a.	n.a.	n.a.	3,514,401	3,730,291	3,916,925
Amount .....	n.a.	n.a.	n.a.	n.a.	32,811,274	37,589,693	40,228,405
Dividends in AGI:							
Number of returns .....	7,729,939	8,853,491	10,738,982	15,527,579	22,903,155	23,079,592	22,904,441
Amount .....	15,806,924	21,892,126	38,761,253	55,046,351	77,329,507	81,309,036	80,168,536
Business or profession net income:							
Number of returns .....	4,827,064	5,434,857	6,305,794	8,640,701	10,491,980	11,017,545	11,221,925
Amount .....	33,542,837	44,861,623	66,995,010	98,775,563	145,517,755	152,416,377	161,657,252
Business or profession net loss:							
Number of returns .....	1,332,921	1,807,685	2,575,325	3,259,640	3,079,460 <sup>4</sup>	3,143,151 <sup>4</sup>	3,415,666 <sup>4</sup>
Amount .....	2,988,636	5,440,145	11,865,856	20,002,986	19,194,505 <sup>4</sup>	19,678,697 <sup>4</sup>	20,227,059 <sup>4</sup>
Net capital gain in AGI:							
Number of returns .....	5,488,224	5,798,724	6,973,930	9,991,808	9,678,528	10,722,512	9,217,141
Amount .....	10,655,553	16,034,430	32,723,298	72,183,321	161,874,539	153,513,725	123,783,047
Net capital loss in AGI:							
Number of returns .....	2,474,439	2,513,399	1,955,544	2,667,409	4,630,707	4,337,150	5,070,741
Amount .....	1,648,870	1,727,272	3,063,698	3,905,541	8,106,330	7,882,795	9,551,854
Pensions and annuities in AGI:							
Number of returns .....	3,249,558	5,088,937	7,373,704	13,133,295	16,481,248	16,816,830	17,014,091
Amount .....	7,879,808	20,886,871	43,339,736	95,096,003	138,785,886	147,358,442	159,294,448
Unemployment compensation in AGI:							
Number of returns .....	N/A	N/A	1,798,210	4,771,546	6,974,262	7,175,322	8,014,136
Amount .....	N/A	N/A	2,028,456	6,355,539	11,626,600	12,095,062	15,453,147
Social security benefits in AGI:							
Number of returns .....	N/A	N/A	N/A	2,956,073	4,024,093	4,675,100	5,082,575
Amount .....	N/A	N/A	N/A	9,594,182	14,361,470	17,347,058	19,686,539
Rent net income:							
Number of returns .....	3,595,041	3,737,264	3,653,996	3,541,964	3,722,828	3,766,547	3,933,823
Amount .....	4,884,370	8,053,918	13,664,671	16,340,908	21,139,837	23,912,182	25,886,388
Rent net loss:							
Number of returns .....	2,456,606	2,834,547	3,809,821	5,390,750	5,157,554	5,245,122	5,163,186
Amount .....	2,457,918	4,621,220	13,464,274	36,163,023	33,004,254	33,301,182	33,450,215
Royalty net income:							
Number of returns .....	473,160	547,192	707,018	960,701	1,066,348	1,104,224	1,170,627
Amount .....	877,106	1,867,085	4,213,345	7,243,748	3,804,387	4,047,260	4,534,436
Royalty net loss:							
Number of returns .....	32,691	24,809	37,297	77,189	83,318	61,368	49,133
Amount .....	70,741	97,700	308,361	385,360	91,684	99,096	125,855
Partnership and S Corporation net income:							
Number of returns .....	2,200,000 <sup>10</sup>	2,500,000 <sup>10</sup>	3,200,000 <sup>10</sup>	2,477,459	2,902,129	3,098,635	3,210,384
Amount .....	12,637,912 <sup>10</sup>	12,811,091 <sup>10</sup>	10,099,346 <sup>10</sup>	48,477,552	100,918,463	107,373,738	112,029,507
Partnership and S Corporation net loss:							
Number of returns .....	(10)	(10)	(10)	3,010,212	2,997,094 <sup>11</sup>	2,829,653 <sup>11</sup>	2,767,074 <sup>11</sup>
Amount .....	(10)	(10)	(10)	51,004,143	43,838,237 <sup>11</sup>	44,281,682 <sup>11</sup>	45,007,276 <sup>11</sup>
Estate or trust net income:							
Number of returns .....	573,700	676,691	865,381	1,075,119	529,013	470,841	444,953
Amount .....	1,533,321	2,740,733	4,974,127	10,328,599	4,559,070	4,502,464	4,633,163
Estate or trust net loss:							
Number of returns .....	41,473	56,990	40,916	73,534	67,540	81,656	74,127
Amount .....	84,521	186,410	414,096	652,621	464,811	543,568	467,976
Farm net income:							
Number of returns .....	1,792,438	1,340,485	1,123,085	891,562	992,432	1,029,336	996,360
Amount .....	5,688,226	10,112,147	9,938,950	6,493,117	11,241,087	11,498,065	11,395,305
Farm net loss:							
Number of returns .....	1,234,092	1,414,556	1,485,345	1,729,299	1,375,095	1,330,382	1,324,793
Amount .....	2,899,513	6,548,822	11,731,416	18,498,600	12,417,624 <sup>11</sup>	11,712,004 <sup>11</sup>	11,829,067 <sup>11</sup>
Total statutory adjustments:							
Number of returns .....	6,370,552	9,024,255	13,148,919	37,763,418	10,747,370	9,926,729	16,648,032
Amount .....	7,665,251	15,101,999	28,614,061	95,082,299	28,201,888	24,572,969	33,974,231
Individual Retirement Arrangements: <sup>13</sup>							
Number of returns .....	N/A	1,211,794	2,564,421	16,205,846	6,361,421	5,824,914	5,223,737
Amount .....	N/A	1,436,443	3,430,894	38,211,574	11,881,754	10,828,694	9,858,219
Self-employed retirement plans:							
Number of returns .....	591,655	595,892	568,936	675,822	814,586	822,353	824,327
Amount .....	847,692	1,603,788	2,007,666	5,181,993	6,626,908	6,326,156	6,777,645
Married couples who both work:							
Number of returns .....	N/A	N/A	N/A	24,835,278	N/A	N/A	N/A
Amount .....	N/A	N/A	N/A	24,614,983	N/A	N/A	N/A

# Selected Historical and Other Data

**Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1970-1990—Continued**

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

Item	1970	1975	1980	1985	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Exemptions:</b>							
Number of exemptions, total.....	204,126,402 <sup>14</sup>	212,202,596 <sup>14</sup>	227,925,098 <sup>14</sup>	244,180,202 <sup>14</sup>	221,884,006	223,756,252	227,549,246
Number, age 65 or over.....	8,904,331	9,937,208	11,847,168	16,748,810	N/A	N/A	N/A
Amount.....	127,531,202 <sup>14</sup>	159,140,845 <sup>14</sup>	227,569,280 <sup>14</sup>	253,720,447 <sup>14</sup>	430,771,177	447,129,806	465,985,366
<b>Total deductions:</b>							
Number of returns..... <sup>15</sup>	73,862,448	81,585,541	88,491,251	96,848,626	108,819,935	111,311,212	112,795,712
Amount..... <sup>15</sup>	120,549,755	233,181,778	348,000,155	554,733,523	685,954,065	740,409,033	789,941,575
<b>Standard deductions:</b>							
Number of returns, total.....	38,432,401	55,511,480	59,540,969	57,000,442	76,471,827	79,338,895	80,620,774
Amount.....	32,371,271	100,921,181	127,972,016	149,709,998	289,564,223	309,431,034	331,456,520
<b>Returns with additional standard deductions for age 65 or blindness:</b>							
Number of returns.....	N/A	N/A	N/A	N/A	10,292,748	10,551,521	10,954,167
Amount.....	N/A	N/A	N/A	N/A	9,222,833	9,452,043	10,615,715
<b>Itemized deductions:<sup>17</sup></b>							
Number of returns.....	35,430,047	26,074,061	28,950,282	39,848,184	31,902,985	31,972,317	32,174,938
Amount..... <sup>17</sup>	88,178,487	122,260,601	218,028,139	405,023,525	395,216,456	430,977,999	458,485,055
<b>Medical and dental expense:<sup>18</sup></b>							
Number of returns.....	27,437,549	19,483,273	19,458,318	10,777,296	4,810,032	5,128,338	5,090,958
Amount.....	10,585,749	11,422,312	14,972,082	22,926,214	17,993,829	20,920,881	21,456,587
<b>Taxes paid:</b>							
Number of returns.....	35,160,636	25,929,082	28,749,278	39,548,023	31,327,781 <sup>19</sup>	31,392,533 <sup>19</sup>	31,594,114 <sup>19</sup>
Amount.....	32,014,673	44,141,289	69,404,275	128,084,618	120,628,182 <sup>19</sup>	131,299,652 <sup>19</sup>	140,011,461 <sup>19</sup>
<b>Interest paid:</b>							
Number of returns.....	29,205,679	23,385,461	26,676,836	36,286,822	29,631,009 <sup>20</sup>	29,437,522 <sup>20</sup>	29,394,600 <sup>20</sup>
Amount.....	23,929,477	38,885,282	91,187,006	180,094,578	179,737,720 <sup>20</sup>	193,186,034 <sup>20</sup>	208,354,360 <sup>20</sup>
<b>Contributions:</b>							
Number of returns.....	33,633,601	24,642,672	26,601,428	36,162,178	29,110,570	29,132,486	29,230,265
Amount.....	12,892,732	15,393,331	25,809,608	47,962,848	50,949,273	55,459,205	57,242,757
<b>Taxable income:<sup>21</sup></b>							
Number of returns.....	59,593,598	65,852,602	88,104,696	96,124,046	90,281,729	92,313,789	93,148,332
Amount.....	401,154,285	595,492,866	1,279,985,360	1,820,740,833	2,069,966,980	2,173,345,881	2,263,661,230
<b>Income tax before credits:</b>							
Number of returns.....	59,596,755	65,854,734	76,135,819	85,994,216	90,218,979	92,246,065	93,089,368
Amount..... <sup>22</sup>	84,156,695 <sup>23</sup>	132,452,044	256,294,315	332,165,333	418,889,165	438,240,138	453,127,579
<b>Total tax credits:</b>							
Number of returns..... <sup>24</sup>	n.a.	n.a.	19,674,483	20,995,285	14,099,023	12,034,697	12,483,535
Amount..... <sup>24</sup>	396,610	8,069,846	7,215,839	10,248,044	7,047,140	6,131,134	6,831,187
<b>Child care credit:</b>							
Number of returns.....	n.a.	n.a.	4,230,757	8,417,522	9,023,458	6,028,094	6,143,590
Amount.....	n.a.	n.a.	956,439	3,127,702	3,812,849	2,439,471	2,549,004
<b>Credit for the elderly and disabled:</b>							
Number of returns.....	1,357,266	784,808	561,918	462,548	356,973	319,758	339,818
Amount.....	167,656	128,968	134,993	108,642	68,904	64,490	61,898
<b>Residential energy credit:</b>							
Number of returns.....	N/A	N/A	n.a.	n.a.	N/A	N/A	N/A
Amount.....	N/A	N/A	562,141	811,675	N/A	N/A	N/A
<b>Foreign tax credit:</b>							
Number of returns.....	200,397	n.a.	393,074	453,863	559,217	641,557	772,143
Amount.....	169,623	381,985	1,341,675	782,561	1,087,203	1,311,742	1,682,307
<b>Investment credit:</b>							
Number of returns.....	n.a.	n.a.	n.a.	( <sup>25</sup> )	( <sup>25</sup> )	( <sup>25</sup> )	( <sup>25</sup> )
Amount.....	30,554	1,593,150	3,288,415	( <sup>25</sup> )	( <sup>25</sup> )	( <sup>25</sup> )	( <sup>25</sup> )
<b>General business credit:</b>							
Number of returns.....	N/A	N/A	N/A	4,614,307 <sup>25</sup>	364,169 <sup>25</sup>	332,419 <sup>25</sup>	262,573 <sup>25</sup>
Amount.....	N/A	N/A	N/A	4,791,132 <sup>25</sup>	718,209 <sup>25</sup>	593,192 <sup>25</sup>	616,288 <sup>25</sup>
<b>Income tax after credits:</b>							
Number of returns.....	59,314,011	61,483,928	73,840,395	82,762,130	87,120,969	89,162,747	89,844,225
Amount.....	83,787,323	124,382,197	249,078,475	321,917,289	411,842,025	432,109,004	446,296,392
<b>Total income tax:</b>							
Number of returns.....	59,317,371	61,490,737	73,906,244	82,846,420	87,135,332	89,178,355	89,862,434
Amount.....	83,909,311	124,526,297	250,341,440	325,710,254	412,869,909	432,939,998	447,126,703
<b>Minimum tax:<sup>26</sup></b>							
Number of returns.....	18,942	20,188	94,599	N/A	N/A	N/A	N/A
Amount.....	121,988	144,099	412,638	N/A	N/A	N/A	N/A
<b>Alternative minimum tax:<sup>26</sup></b>							
Number of returns.....	N/A	N/A	122,670	427,688	133,562	117,483	132,103
Amount.....	N/A	N/A	850,326	3,791,672	1,027,884	830,994	830,313
<b>Overpayments, total:<sup>27</sup></b>							
Number of returns.....	55,273,385	63,825,188	69,868,451	77,424,003	79,143,548	80,908,202	83,507,580
Amount.....	15,727,692	29,363,945	49,458,344	76,220,146	78,837,972	81,252,232	88,479,352
<b>Overpayment refunds:</b>							
Number of returns.....	53,126,294	62,660,424	68,232,903	74,914,665	76,414,800	78,271,544	80,514,484
Amount.....	14,043,494	27,252,870	46,680,072	68,933,993	68,990,260	71,735,083	78,103,385
<b>Tax due at time of filing:<sup>28</sup></b>							
Number of returns.....	16,478,813	15,842,400	21,755,516	21,210,194	27,185,438	28,044,448	26,986,948
Amount.....	8,725,671	14,208,747	32,843,576	39,091,228	61,507,880	60,156,928	56,561,150

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>UNITED STATES<sup>2</sup></b>								
Number of returns.....	114,788,071	47,164,910	29,031,054	21,318,600	10,798,871	3,318,953	2,314,843	840,840
Number of exemptions.....	248,768,074	71,394,046	65,755,975	58,252,266	33,060,287	10,323,232	7,292,090	2,690,178
Adjusted gross income (less deficit).....	3,398,138,737	273,881,513	630,562,337	829,121,728	649,007,632	282,754,644	304,191,423	428,619,460
Salaries and wages:								
Number of returns.....	96,578,514	36,577,024	25,018,261	19,384,275	9,932,142	3,001,186	1,982,524	683,102
Amount.....	2,593,337,270	251,940,428	504,125,217	690,255,811	536,753,160	220,678,605	201,477,582	188,106,466
Interest income:								
Number of returns.....	70,658,526	20,104,937	17,405,950	16,970,083	9,897,267	3,187,268	2,259,996	833,025
Amount.....	228,422,837	36,497,157	41,061,813	40,618,580	31,297,765	15,619,763	21,484,213	41,843,546
Dividends:								
Number of returns.....	22,867,142	4,780,673	4,507,709	5,418,332	4,226,973	1,754,339	1,511,015	668,101
Amount.....	80,422,372	7,101,794	9,054,726	11,344,088	10,710,948	6,580,380	10,840,363	24,790,076
Net capital gain (less loss):								
Number of returns.....	12,216,411	2,293,441	2,272,957	2,666,630	2,180,808	1,062,158	1,135,442	604,975
Amount.....	111,751,611	6,838,869	3,292,789	5,910,694	7,781,243	6,512,860	15,087,130	66,328,026
Taxable pensions and annuities:								
Number of returns.....	16,970,993	5,105,261	4,879,637	3,653,573	2,074,479	662,780	450,260	145,003
Amount.....	158,385,225	26,099,841	42,865,358	38,802,763	26,091,824	10,235,878	8,751,087	5,538,474
Unemployment compensation:								
Number of returns.....	8,031,121	2,735,550	2,544,729	1,906,094	670,492	119,857	48,021	6,378
Amount.....	15,293,765	4,633,984	5,176,211	3,707,878	1,363,776	268,961	121,849	21,104
Total itemized deductions:								
Number of returns.....	33,418,580	2,308,281	5,798,520	10,726,687	8,532,193	3,025,871	2,204,840	822,188
Amount.....	474,043,752	26,219,593	51,234,301	107,626,910	111,711,953	54,358,282	58,974,218	63,918,495
Taxable income:								
Number of returns.....	93,350,753	26,459,915	28,406,718	21,240,588	10,780,813	3,313,642	2,310,123	838,954
Amount.....	2,261,460,396	89,111,183	357,191,808	556,292,135	460,709,196	206,840,178	230,821,484	360,494,413
Total tax liability:								
Number of returns.....	94,988,578	28,034,229	28,449,489	21,252,555	10,785,127	3,315,238	2,311,990	839,950
Amount.....	471,051,057	16,384,050	57,871,599	98,062,067	90,203,979	46,751,014	60,631,355	103,146,993
Average (whole dollars):	4,960	585	2,035	4,521	8,364	14,102	26,225	122,802
Earned income credit:								
Number of returns.....	12,856,425	9,280,630	3,575,795	--	--	--	--	--
Amount.....	7,627,513	6,672,322	955,191	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	8,789,468	8,117,979	671,489	--	--	--	--	--
Amount.....	5,347,107	5,186,688	160,419	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.--Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990--Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>ALABAMA</b>								
Number of returns.....	1,711,765	797,757	425,224	290,950	134,611	34,488	20,858	7,877
Number of exemptions.....	3,880,293	1,341,253	1,065,202	848,996	423,103	109,025	66,616	26,098
Adjusted gross income (less deficit).....	43,145,901	5,247,737	9,172,223	11,275,353	8,045,444	2,925,512	2,732,130	3,747,501
Salaries and wages:								
Number of returns.....	1,489,365	659,644	378,158	270,316	125,686	31,422	17,602	6,537
Amount.....	34,088,681	4,547,468	7,594,964	9,661,340	6,762,249	2,250,619	1,664,185	1,607,856
Interest income:								
Number of returns.....	843,486	240,855	211,181	211,402	119,449	32,595	20,206	7,798
Amount.....	2,327,541	421,572	452,829	426,359	325,090	156,725	204,967	339,999
Dividends:								
Number of returns.....	241,217	45,897	46,506	60,030	50,008	18,411	13,997	6,368
Amount.....	689,370	59,445	72,159	97,987	101,581	62,865	101,487	193,847
Net capital gain (less loss):								
Number of returns.....	125,383	22,458	23,171	28,372	24,207	10,901	10,579	5,695
Amount.....	919,346	87,800	39,310	63,392	82,160	61,515	140,030	445,139
Taxable pensions and annuities:								
Number of returns.....	242,612	75,448	70,109	52,707	29,674	8,512	4,824	1,338
Amount.....	2,309,911	413,301	648,129	579,978	389,048	144,417	100,278	34,759
Unemployment compensation:								
Number of returns.....	163,072	68,567	51,208	33,859	8,278	920	215	25
Amount.....	172,246	74,743	53,433	33,804	8,774	1,110	344	38
Total itemized deductions:								
Number of returns.....	413,820	28,892	84,298	139,259	103,237	30,688	19,660	7,786
Amount.....	4,656,177	243,469	665,139	1,256,468	1,162,667	460,990	427,999	439,446
Taxable income:								
Number of returns.....	1,310,501	404,004	418,344	290,491	134,506	34,462	20,829	7,865
Amount.....	27,288,896	1,302,923	4,882,498	7,567,356	5,874,945	2,230,049	2,170,928	3,260,196
Total tax liability:								
Number of returns.....	1,335,549	429,335	417,944	290,550	134,535	34,475	20,838	7,872
Amount.....	5,432,772	236,384	781,418	1,253,762	1,136,323	505,452	578,783	940,650
Average (whole dollars).....	4,068	551	1,870	4,316	8,447	14,662	27,776	119,494
Earned income credit:								
Number of returns.....	319,441	244,800	74,641	--	--	--	--	--
Amount.....	199,942	179,307	20,636	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	235,104	221,635	13,469	--	--	--	--	--
Amount.....	147,867	144,670	3,197	--	--	--	--	--
<b>ALASKA</b>								
Number of returns.....	313,610	146,094	57,272	50,484	35,047	14,927	8,181	1,605
Number of exemptions.....	539,741	104,448	121,262	129,607	106,118	47,012	26,191	5,103
Adjusted gross income (less deficit).....	9,008,782	421,828	1,257,035	1,978,198	2,136,701	1,274,164	1,038,516	902,539
Salaries and wages:								
Number of returns.....	223,597	70,800	51,040	46,174	32,895	14,081	7,322	1,285
Amount.....	6,872,072	445,361	997,801	1,613,985	1,781,402	1,051,234	721,196	261,092
Interest income:								
Number of returns.....	170,341	52,921	29,810	35,323	29,228	13,664	7,816	1,579
Amount.....	309,702	33,454	34,588	52,196	55,649	36,492	43,419	53,903
Dividends:								
Number of returns.....	66,798	19,083	10,895	12,778	11,316	6,622	4,866	1,238
Amount.....	130,027	16,117	13,985	18,410	19,066	13,686	17,436	31,327
Net capital gain (less loss):								
Number of returns.....	28,556	4,136	3,612	5,723	6,331	4,011	3,598	1,145
Amount.....	350,369	5,937	4,684	9,776	17,334	17,497	43,829	251,311
Taxable pensions and annuities:								
Number of returns.....	29,742	4,139	6,419	7,477	6,405	3,178	1,842	282
Amount.....	402,802	23,390	64,101	104,901	102,731	55,957	41,078	10,645
Unemployment compensation:								
Number of returns.....	31,683	8,456	9,062	7,959	4,686	1,244	263	13
Amount.....	71,337	16,055	20,828	19,821	11,257	2,760	581	34
Total itemized deductions:								
Number of returns.....	73,427	3,786	8,324	18,793	22,021	11,889	7,168	1,446
Amount.....	914,093	39,118	68,257	180,683	259,438	171,500	137,592	57,505
Taxable income:								
Number of returns.....	282,541	116,166	56,249	50,393	35,024	14,925	8,179	1,605
Amount.....	6,649,210	239,723	748,949	1,393,237	1,598,152	991,897	843,085	834,167
Total tax liability:								
Number of returns.....	287,757	120,958	56,630	50,423	35,035	14,926	8,180	1,605
Amount.....	1,448,055	44,110	127,398	256,879	328,795	227,997	224,004	238,871
Average (whole dollars).....	5,033	365	2,250	5,095	9,385	15,276	27,385	148,830
Earned income credit:								
Number of returns.....	16,908	10,787	6,121	--	--	--	--	--
Amount.....	8,586	7,028	1,558	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	9,569	8,704	865	--	--	--	--	--
Amount.....	4,888	4,687	200	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>ARIZONA</b>								
Number of returns.....	1,602,781	691,808	412,815	283,929	138,609	39,814	26,542	9,264
Number of exemptions.....	3,697,698	1,196,703	1,008,596	816,565	435,330	125,356	84,700	30,448
Adjusted gross income (less deficit).....	43,208,903	3,870,636	8,916,174	11,013,437	8,317,629	3,386,739	3,485,808	4,218,479
Salaries and wages:								
Number of returns.....	1,324,277	546,080	343,333	248,664	122,923	34,565	21,511	7,201
Amount.....	32,595,515	3,849,627	6,858,632	8,774,968	6,586,954	2,509,169	2,147,579	1,868,587
Interest income:								
Number of returns.....	922,762	263,781	243,080	219,104	124,164	37,757	25,724	9,152
Amount.....	3,241,184	541,427	644,514	613,394	457,388	226,354	313,121	444,987
Dividends:								
Number of returns.....	310,953	69,639	70,580	74,275	53,005	20,385	16,325	6,744
Amount.....	1,157,834	129,936	174,137	200,091	167,607	93,670	137,080	255,312
Net capital gain (less loss):								
Number of returns.....	208,304	43,844	45,549	46,893	34,811	15,386	14,852	6,969
Amount.....	1,468,802	170,775	41,872	88,447	128,310	101,480	242,051	695,865
Taxable pensions and annuities:								
Number of returns.....	272,191	78,817	82,483	60,688	32,665	9,728	6,050	1,760
Amount.....	2,848,807	426,120	789,648	752,860	492,328	173,829	137,040	76,981
Unemployment compensation:								
Number of returns.....	82,388	35,858	24,845	15,110	5,085	1,037	414	39
Amount.....	137,892	57,863	42,963	25,449	8,767	1,899	849	103
Total itemized deductions:								
Number of returns.....	527,655	51,942	115,638	171,363	116,900	36,956	25,698	9,158
Amount.....	6,881,442	512,095	1,001,222	1,744,132	1,549,002	665,561	700,112	709,319
Taxable income:								
Number of returns.....	1,255,461	359,248	399,736	282,789	138,314	39,706	28,457	9,211
Amount.....	27,484,544	1,237,761	4,748,188	7,139,549	5,810,325	2,466,319	2,624,721	3,457,682
Total tax liability:								
Number of returns.....	1,280,791	382,967	400,939	283,032	138,384	39,739	26,497	9,233
Amount.....	5,559,170	225,101	765,159	1,212,146	1,121,561	554,889	687,547	992,767
Average (whole dollars).....	4,341	588	1,909	4,283	8,105	13,964	25,949	107,524
Earned income credit:								
Number of returns.....	216,122	160,141	55,981	--	--	--	--	--
Amount.....	130,285	115,237	15,047	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	158,238	144,503	13,735	--	--	--	--	--
Amount.....	98,128	94,705	3,422	--	--	--	--	--
<b>ARKANSAS</b>								
Number of returns.....	965,282	469,518	257,602	154,473	57,055	13,298	9,655	3,681
Number of exemptions.....	2,234,717	833,241	674,855	462,645	179,316	41,879	30,791	11,990
Adjusted gross income (less deficit).....	22,011,751	2,952,773	5,540,903	5,938,751	3,387,061	1,130,424	1,280,390	1,781,450
Salaries and wages:								
Number of returns.....	805,456	373,038	221,220	138,613	50,550	11,260	7,721	3,054
Amount.....	16,581,270	2,574,443	4,381,639	4,830,239	2,610,727	747,280	689,089	747,852
Interest income:								
Number of returns.....	489,668	160,824	137,168	114,908	51,083	12,639	9,401	3,645
Amount.....	1,546,128	308,581	353,395	301,240	203,955	87,362	113,873	177,723
Dividends:								
Number of returns.....	140,234	31,892	33,722	35,669	22,050	7,440	6,495	2,966
Amount.....	466,172	41,665	52,011	59,423	49,732	26,734	42,876	193,730
Net capital gain (less loss):								
Number of returns.....	94,863	22,351	23,392	22,097	13,596	5,321	5,424	2,682
Amount.....	549,421	38,435	43,468	59,566	61,876	41,784	83,800	220,492
Taxable pensions and annuities:								
Number of returns.....	134,118	45,745	42,941	28,129	12,007	2,859	1,853	584
Amount.....	1,186,738	234,494	380,062	310,672	162,229	47,199	34,511	17,571
Unemployment compensation:								
Number of returns.....	79,697	34,597	28,238	14,237	2,293	246	77	9
Amount.....	118,653	47,834	42,851	22,908	4,299	554	178	29
Total itemized deductions:								
Number of returns.....	194,221	17,135	41,269	67,124	43,844	12,020	9,188	3,641
Amount.....	2,291,353	138,034	399,139	601,730	494,930	185,041	210,421	262,058
Taxable income:								
Number of returns.....	724,578	233,373	253,351	154,238	57,013	13,283	9,642	3,678
Amount.....	13,463,217	754,759	2,897,237	3,974,160	2,471,068	858,200	1,009,847	1,497,946
Total tax liability:								
Number of returns.....	750,835	259,432	253,528	154,250	57,017	13,284	9,646	3,678
Amount.....	2,679,929	148,585	476,758	664,907	487,332	200,316	272,124	429,907
Average (whole dollars).....	3,570	573	1,881	4,311	8,548	15,080	28,212	116,887
Earned income credit:								
Number of returns.....	175,524	131,183	44,341	--	--	--	--	--
Amount.....	107,267	95,146	12,121	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	122,773	114,978	7,795	--	--	--	--	--
Amount.....	75,788	73,954	1,834	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>CALIFORNIA</b>								
Number of returns.....	13,734,942	5,428,291	3,338,905	2,496,794	1,426,014	525,610	384,310	135,018
Number of exemptions.....	30,892,464	9,421,893	7,661,808	6,436,658	4,203,914	1,586,075	1,164,769	417,347
Adjusted gross income (less deficit).....	452,648,452	29,110,134	72,747,801	97,248,843	86,328,234	44,881,908	50,425,211	71,906,322
Salaries and wages:								
Number of returns.....	11,503,665	4,248,884	2,848,734	2,220,286	1,288,672	470,540	322,147	104,402
Amount.....	339,033,306	30,867,536	58,444,294	79,741,704	70,493,175	35,239,002	33,166,695	31,080,901
Interest income:								
Number of returns.....	8,189,333	2,030,004	1,912,345	1,944,452	1,291,745	502,880	374,237	133,670
Amount.....	30,876,758	3,973,550	4,510,060	5,022,591	4,328,709	2,437,634	3,608,863	6,995,351
Dividends:								
Number of returns.....	2,541,631	456,417	458,556	573,138	490,708	243,130	224,328	97,354
Amount.....	9,806,526	815,441	1,069,018	1,358,420	1,281,232	820,319	1,358,031	3,104,064
Net capital gain (less loss):								
Number of returns.....	1,514,960	239,302	244,923	312,543	284,518	159,204	180,809	93,661
Amount.....	21,515,451	1,286,628	384,524	855,719	1,313,644	159,204	3,171,273	13,260,677
Taxable pensions and annuities:								
Number of returns.....	1,785,230	437,453	487,453	405,041	265,382	98,399	69,893	21,609
Amount.....	19,162,271	2,406,890	4,633,605	4,796,212	3,581,698	1,514,062	1,341,072	888,734
Unemployment compensation:								
Number of returns.....	1,026,446	431,194	287,276	187,104	86,469	22,097	10,870	1,436
Amount.....	1,746,675	682,304	530,518	321,224	147,991	39,822	21,416	3,400
Total itemized deductions:								
Number of returns.....	4,670,161	364,444	765,931	1,355,820	1,176,094	496,976	376,942	133,954
Amount.....	88,675,102	5,479,381	8,667,337	17,285,454	19,695,221	11,179,088	12,721,169	13,647,452
Taxable income:								
Number of returns.....	10,832,525	2,718,450	3,183,759	2,469,357	1,419,733	523,770	382,889	134,567
Amount.....	292,785,110	9,596,696	39,802,377	62,430,461	57,303,063	30,491,776	35,501,889	57,658,849
Total tax liability:								
Number of returns.....	11,078,906	2,933,917	3,201,146	2,478,716	1,422,237	524,528	383,539	134,823
Amount.....	63,366,834	1,844,856	6,517,566	11,159,909	11,300,898	6,828,197	9,263,862	16,451,546
Average (whole dollars).....	5,720	629	2,037	4,503	7,946	13,018	24,154	122,024
Earned income credit:								
Number of returns.....	1,755,297	1,347,347	407,950	--	--	--	--	--
Amount.....	1,090,602	980,986	109,616	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	1,330,510	1,207,378	123,132	--	--	--	--	--
Amount.....	845,754	814,657	31,097	--	--	--	--	--
<b>COLORADO</b>								
Number of returns.....	1,564,022	631,326	393,013	297,667	154,568	46,371	31,342	9,735
Number of exemptions.....	3,311,856	881,667	871,070	811,202	472,913	144,431	99,572	31,001
Adjusted gross income (less deficit).....	45,371,583	3,140,961	8,556,181	11,591,846	9,289,398	3,946,175	4,101,365	4,745,655
Salaries and wages:								
Number of returns.....	1,326,909	497,800	339,204	270,848	142,325	42,054	26,927	7,751
Amount.....	34,907,915	3,405,036	6,812,998	9,583,284	7,638,219	3,046,880	2,655,276	1,766,221
Interest income:								
Number of returns.....	1,011,693	288,620	249,518	245,430	143,178	44,635	30,650	9,662
Amount.....	2,765,412	453,135	479,854	493,260	391,283	193,041	271,119	483,721
Dividends:								
Number of returns.....	358,884	75,722	70,878	88,188	68,305	26,841	21,214	7,736
Amount.....	1,047,245	113,903	128,144	160,755	151,490	89,474	142,798	260,681
Net capital gain (less loss):								
Number of returns.....	221,077	43,985	42,039	50,206	40,839	18,680	17,861	7,467
Amount.....	1,729,459	121,611	46,249	81,412	114,482	97,616	223,326	1,044,763
Taxable pensions and annuities:								
Number of returns.....	225,693	58,993	64,955	53,620	30,851	9,684	6,016	1,574
Amount.....	2,366,917	327,806	634,576	641,247	435,263	159,710	122,221	46,095
Unemployment compensation:								
Number of returns.....	69,745	22,825	23,970	16,281	5,344	913	377	35
Amount.....	132,163	39,526	47,124	31,407	10,534	1,952	832	788
Total itemized deductions:								
Number of returns.....	550,316	42,513	107,545	184,420	132,456	43,448	30,344	9,590
Amount.....	7,131,708	406,028	915,681	1,845,804	1,733,467	755,731	745,635	729,362
Taxable income:								
Number of returns.....	1,293,077	369,741	384,664	296,938	154,408	48,325	31,297	9,706
Amount.....	30,226,480	1,240,890	4,791,460	7,595,813	6,510,899	2,893,051	3,157,842	4,036,524
Total tax liability:								
Number of returns.....	1,319,449	394,683	385,876	297,051	154,452	46,342	31,318	9,727
Amount.....	6,245,217	233,932	788,599	1,311,518	1,267,267	654,727	834,141	1,155,033
Average (whole dollars).....	4,734	593	2,044	4,416	8,205	14,129	26,635	118,746
Earned income credit:								
Number of returns.....	147,929	103,195	44,734	--	--	--	--	--
Amount.....	85,418	73,593	11,825	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	96,515	87,986	8,529	--	--	--	--	--
Amount.....	57,221	55,225	1,996	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>CONNECTICUT</b>								
Number of returns.....	1,658,349	542,177	403,772	341,467	215,651	75,686	56,848	22,748
Number of exemptions.....	3,292,004	621,702	752,876	812,004	623,918	229,641	178,468	73,395
Adjusted gross income (less deficit).....	63,964,803	2,885,404	8,911,592	13,382,937	13,028,754	6,460,318	7,538,499	11,757,097
Salaries and wages:								
Number of returns.....	1,387,362	390,273	346,294	308,857	200,426	70,660	51,246	19,606
Amount.....	49,684,718	2,548,404	7,052,191	11,004,889	10,990,449	5,405,106	5,660,129	7,023,550
Interest income:								
Number of returns.....	1,257,743	319,697	280,409	298,250	206,352	74,265	56,152	22,618
Amount.....	4,364,685	615,471	729,816	860,353	678,856	289,167	382,751	808,271
Dividends:								
Number of returns.....	460,938	93,966	79,406	101,640	88,575	40,254	38,156	18,941
Amount.....	1,754,989	137,279	178,308	266,704	257,090	141,171	246,212	528,226
Net capital gain (less loss):								
Number of returns.....	207,898	33,254	30,414	42,305	39,253	20,945	25,847	15,880
Amount.....	1,703,065	82,803	21,793	58,706	94,202	89,306	239,819	1,116,436
Taxable pensions and annuities:								
Number of returns.....	266,752	70,868	70,468	59,674	39,117	13,069	9,660	3,896
Amount.....	2,389,331	325,552	538,804	562,352	420,510	173,004	178,061	191,047
Unemployment compensation:								
Number of returns.....	132,019	30,530	42,054	35,988	18,503	3,258	1,441	245
Amount.....	340,217	76,702	113,891	91,915	43,466	8,164	4,199	1,881
Total itemized deductions:								
Number of returns.....	560,153	32,567	74,269	154,370	155,044	66,879	54,524	22,500
Amount.....	9,303,813	436,508	749,271	1,696,483	2,081,547	1,169,933	1,497,950	1,672,121
Taxable income:								
Number of returns.....	1,461,960	357,720	394,839	339,362	215,077	75,539	56,704	22,719
Amount.....	45,880,980	1,206,774	5,538,861	9,299,347	9,414,861	4,792,022	5,684,540	9,944,577
Total tax liability:								
Number of returns.....	1,476,724	369,103	397,333	339,963	215,226	75,597	56,768	22,734
Amount.....	10,080,457	214,960	900,242	1,678,225	1,875,501	1,084,328	1,491,795	2,835,406
Average (whole dollars).....	6,827	583	2,266	4,937	8,715	14,344	26,279	124,721
Earned income credit:								
Number of returns.....	77,810	48,395	29,415	--	--	--	--	--
Amount.....	40,889	33,382	7,507	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	43,590	39,520	4,070	--	--	--	--	--
Amount.....	24,080	23,162	918	--	--	--	--	--
<b>DELAWARE</b>								
Number of returns.....	328,496	121,479	82,801	64,930	37,296	12,042	7,761	2,187
Number of exemptions.....	686,087	162,333	172,442	168,834	113,524	37,682	24,382	6,890
Adjusted gross income (less deficit).....	10,416,903	814,206	1,791,316	2,538,216	2,249,174	1,025,165	1,009,491	989,335
Salaries and wages:								
Number of returns.....	282,037	96,746	71,720	59,263	34,603	11,119	6,853	1,733
Amount.....	8,066,393	667,844	1,434,294	2,109,355	1,888,406	831,527	697,750	437,216
Interest income:								
Number of returns.....	204,459	51,125	47,009	50,724	34,255	11,589	7,587	2,170
Amount.....	570,586	83,998	106,121	108,703	87,818	45,177	56,530	82,239
Dividends:								
Number of returns.....	85,027	14,600	15,245	20,828	18,412	7,977	6,070	1,895
Amount.....	382,698	20,496	29,097	41,192	43,972	29,915	50,718	167,307
Net capital gain (less loss):								
Number of returns.....	31,930	4,701	4,987	6,725	6,423	3,599	3,870	1,625
Amount.....	242,106	8,241	6,322	14,446	21,404	18,848	45,756	127,089
Taxable pensions and annuities:								
Number of returns.....	55,148	14,199	15,330	12,529	8,071	2,743	1,827	449
Amount.....	563,132	75,371	141,375	141,342	105,219	43,126	38,283	18,415
Unemployment compensation:								
Number of returns.....	20,192	4,514	5,548	6,766	2,830	434	94	6
Amount.....	34,947	7,222	10,894	11,287	4,615	722	193	15
Total itemized deductions:								
Number of returns.....	107,792	4,750	15,412	34,971	31,352	11,510	7,624	2,173
Amount.....	1,461,955	44,546	120,785	332,267	388,377	199,900	193,712	182,368
Taxable income:								
Number of returns.....	282,121	76,358	81,739	64,798	37,272	12,029	7,746	2,179
Amount.....	6,992,746	269,358	1,065,301	1,733,172	1,605,007	756,014	768,758	795,136
Total tax liability:								
Number of returns.....	283,152	77,422	81,677	64,807	37,280	12,032	7,750	2,184
Amount.....	1,416,779	45,123	169,350	297,031	308,608	168,063	199,518	229,086
Average (whole dollars).....	5,004	583	2,074	4,584	8,279	13,969	25,745	104,893
Earned income credit:								
Number of returns.....	29,624	20,323	9,301	--	--	--	--	--
Amount.....	17,297	14,766	2,531	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	19,411	17,971	1,440	--	--	--	--	--
Amount.....	11,769	11,428	341	--	--	--	--	--

See notes following Table 20.



# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>DISTRICT OF COLUMBIA</b>								
Number of returns.....	318,036	116,372	103,372	53,408	23,145	9,147	8,872	3,720
Number of exemptions.....	588,035	178,028	200,043	103,049	50,729	21,982	23,335	10,869
Adjusted gross income (less deficit).....	10,201,548	692,695	2,235,184	2,043,768	1,399,543	782,999	1,185,549	1,861,810
<b>Salaries and wages:</b>								
Number of returns.....	268,034	90,811	92,148	47,264	19,922	7,880	7,348	2,661
Amount.....	7,364,341	700,394	1,911,463	1,679,113	1,082,646	589,649	772,843	628,234
<b>Interest income:</b>								
Number of returns.....	159,776	34,518	45,851	38,313	20,247	8,591	8,582	3,674
Amount.....	610,736	61,705	60,491	79,355	75,251	46,585	79,508	207,842
<b>Dividends:</b>								
Number of returns.....	51,489	7,963	8,816	11,519	9,023	4,872	6,116	3,174
Amount.....	350,344	14,307	17,697	30,046	36,081	28,190	64,088	159,936
<b>Net capital gain (less loss):</b>								
Number of returns.....	25,919	3,125	3,224	4,873	4,677	2,879	4,310	2,831
Amount.....	502,057	70,540	2,090	6,143	14,235	13,850	46,984	348,215
<b>Taxable pensions and annuities:</b>								
Number of returns.....	47,545	12,185	14,358	10,353	5,591	2,218	2,063	777
Amount.....	780,050	92,631	194,829	189,188	136,000	61,841	68,028	37,533
<b>Unemployment compensation:</b>								
Number of returns.....	11,473	5,494	4,046	1,256	482	111	76	8
Amount.....	31,002	13,441	11,944	3,612	1,416	308	253	29
<b>Total itemized deductions:</b>								
Number of returns.....	97,871	6,450	20,701	29,477	20,105	8,739	6,702	3,697
Amount.....	1,698,604	71,782	176,253	305,968	288,252	176,221	279,276	400,851
<b>Taxable income:</b>								
Number of returns.....	265,593	65,968	101,803	53,124	23,039	9,117	8,839	3,703
Amount.....	6,936,794	256,972	1,352,827	1,446,510	1,003,481	564,973	862,843	1,449,188
<b>Total tax liability:</b>								
Number of returns.....	264,157	65,660	100,593	53,146	23,062	9,124	8,858	3,714
Amount.....	1,512,356	42,077	206,569	265,452	212,758	133,331	230,892	421,277
Average (whole dollars).....	5,726	641	2,054	4,985	9,226	14,614	26,066	113,430
<b>Earned income credit:</b>								
Number of returns.....	44,782	29,312	15,470	--	--	--	--	--
Amount.....	25,383	21,284	4,099	--	--	--	--	--
<b>Excess earned income credit:<sup>2</sup></b>								
Number of returns.....	29,878	26,665	3,213	--	--	--	--	--
Amount.....	17,824	17,065	760	--	--	--	--	--
<b>FLORIDA</b>								
Number of returns.....	6,141,001	2,700,305	1,636,730	1,021,587	473,476	144,369	111,887	52,647
Number of exemptions.....	13,390,165	4,457,984	3,787,915	2,774,487	1,419,064	441,163	345,529	164,023
Adjusted gross income (less deficit).....	176,297,385	16,366,149	35,128,543	39,533,613	28,405,488	12,311,453	14,902,518	29,649,621
<b>Salaries and wages:</b>								
Number of returns.....	4,874,683	2,059,453	1,324,106	856,587	396,597	116,793	83,360	37,767
Amount.....	117,421,098	14,772,760	25,959,239	29,689,553	20,789,240	8,231,332	8,079,066	9,899,908
<b>Interest income:</b>								
Number of returns.....	3,560,235	1,079,694	969,542	788,976	424,474	136,862	108,549	52,138
Amount.....	17,984,646	2,605,831	3,198,444	3,040,937	2,265,530	1,156,282	1,728,532	3,989,091
<b>Dividends:</b>								
Number of returns.....	1,325,931	316,491	317,516	297,503	198,999	78,920	74,556	41,946
Amount.....	7,321,260	677,007	949,654	1,092,290	944,810	557,095	919,972	2,180,433
<b>Net capital gain (less loss):</b>								
Number of returns.....	828,323	176,771	180,902	178,371	128,307	58,726	64,738	40,508
Amount.....	9,542,014	369,230	143,985	381,777	575,373	491,341	1,129,702	6,450,605
<b>Taxable pensions and annuities:</b>								
Number of returns.....	1,089,114	316,141	336,731	235,369	124,145	37,783	27,397	11,548
Amount.....	11,919,502	1,649,602	3,197,404	3,053,089	2,020,886	738,919	670,017	589,584
<b>Unemployment compensation:</b>								
Number of returns.....	246,450	100,589	78,779	47,055	15,212	3,164	1,421	230
Amount.....	463,174	168,865	155,704	94,374	32,326	7,422	3,622	862
<b>Total itemized deductions:</b>								
Number of returns.....	1,588,273	171,363	357,559	469,843	326,251	116,689	97,277	49,291
Amount.....	21,568,597	1,993,898	3,168,894	4,637,547	4,033,380	1,918,283	2,344,769	3,471,824
<b>Taxable income:</b>								
Number of returns.....	4,876,675	1,477,784	1,601,314	1,017,416	472,263	143,947	111,510	52,441
Amount.....	120,077,338	5,252,459	19,527,893	26,952,566	20,933,083	9,433,144	11,872,689	26,105,503
<b>Total tax liability:</b>								
Number of returns.....	4,982,173	1,579,994	1,603,429	1,018,019	472,480	144,051	111,651	52,549
Amount.....	25,642,979	969,104	3,148,250	4,616,512	4,144,751	2,159,765	3,161,025	7,443,574
Average (whole dollars).....	5,147	614	1,964	4,535	8,773	14,994	28,312	141,651
<b>Earned income credit:</b>								
Number of returns.....	762,327	562,259	200,068	--	--	--	--	--
Amount.....	465,636	411,039	54,597	--	--	--	--	--
<b>Excess earned income credit:<sup>2</sup></b>								
Number of returns.....	527,683	490,008	37,675	--	--	--	--	--
Amount.....	324,750	315,746	9,003	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>GEORGIA</b>								
Number of returns.....	2,881,979	1,222,355	741,245	508,239	259,127	79,099	53,638	18,276
Number of exemptions.....	6,248,052	1,891,849	1,688,916	1,398,070	791,714	247,145	170,864	59,494
Adjusted gross income (less deficit).....	81,446,750	7,522,797	15,990,222	19,743,141	15,583,032	6,737,267	7,036,856	8,833,434
Salaries and wages:								
Number of returns.....	2,549,389	1,027,529	669,352	473,235	243,331	73,305	47,364	15,273
Amount.....	65,205,837	7,277,029	13,561,503	16,906,600	13,223,970	5,437,521	4,873,608	3,925,606
Interest income:								
Number of returns.....	1,432,845	361,323	342,090	357,929	226,620	74,724	52,063	18,096
Amount.....	4,093,943	610,050	687,857	727,275	590,907	309,255	423,856	744,744
Dividends:								
Number of returns.....	454,439	75,837	77,624	110,276	98,268	42,493	35,327	14,614
Amount.....	1,432,951	104,018	126,070	182,391	191,657	127,164	216,241	485,411
Net capital gain (less loss):								
Number of returns.....	237,978	37,780	39,125	51,165	46,847	23,978	25,868	13,215
Amount.....	2,516,163	210,209	74,154	122,691	172,491	141,660	325,044	1,469,914
Taxable pensions and annuities:								
Number of returns.....	357,102	85,596	99,941	87,867	53,788	16,743	10,169	2,998
Amount.....	3,455,995	452,507	892,117	918,830	657,014	257,189	189,683	88,655
Unemployment compensation:								
Number of returns.....	214,241	78,838	69,808	48,048	14,327	2,305	809	106
Amount.....	264,258	89,064	83,241	62,948	22,997	4,092	1,667	248
Total itemized deductions:								
Number of returns.....	858,341	51,028	154,734	283,345	222,722	75,706	52,634	18,172
Amount.....	11,727,341	497,932	1,315,231	2,829,398	2,920,820	1,386,132	1,439,336	1,338,494
Taxable income:								
Number of returns.....	2,303,007	658,706	727,893	506,805	258,809	79,007	53,551	18,236
Amount.....	52,542,145	2,245,279	8,868,170	13,033,179	10,897,728	4,850,917	5,260,298	7,386,575
Total tax liability:								
Number of returns.....	2,338,144	693,384	727,864	507,103	258,898	79,047	53,586	18,262
Amount.....	10,692,714	405,103	1,423,276	2,203,253	2,094,478	1,081,485	1,373,555	2,111,565
Average (whole dollars).....	4,574	585	1,956	4,345	8,090	13,682	25,633	115,627
Earned income credit:								
Number of returns.....	451,038	333,018	118,020	--	--	--	--	--
Amount.....	274,952	242,672	32,280	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	318,618	298,003	20,615	--	--	--	--	--
Amount.....	196,913	192,063	4,849	--	--	--	--	--
<b>HAWAII</b>								
Number of returns.....	555,488	206,399	152,346	101,995	58,877	19,035	12,340	4,496
Number of exemptions.....	1,145,166	262,986	315,620	271,480	183,660	59,597	37,986	13,837
Adjusted gross income (less deficit).....	17,462,616	1,080,887	3,299,330	3,974,169	3,560,820	1,617,371	1,628,512	2,301,526
Salaries and wages:								
Number of returns.....	472,901	160,771	134,600	92,198	54,211	17,268	10,433	3,420
Amount.....	12,771,514	1,143,904	2,707,945	3,199,491	2,835,143	1,202,410	929,731	752,890
Interest income:								
Number of returns.....	407,671	112,239	113,273	90,377	56,472	18,677	12,165	4,468
Amount.....	968,460	128,302	159,127	177,330	154,368	77,042	99,127	173,164
Dividends:								
Number of returns.....	115,057	21,159	23,155	26,635	22,795	10,070	7,827	3,416
Amount.....	345,781	27,181	36,720	52,025	52,480	32,721	53,068	91,585
Net capital gain (less loss):								
Number of returns.....	57,317	8,454	9,450	12,241	11,595	6,038	6,302	3,237
Amount.....	1,199,686	57,581	16,987	33,777	61,419	63,736	181,083	785,104
Taxable pensions and annuities:								
Number of returns.....	85,913	20,041	23,927	20,139	13,228	4,426	3,068	1,084
Amount.....	1,028,353	107,145	239,912	276,517	214,828	86,504	68,370	35,076
Unemployment compensation:								
Number of returns.....	20,490	4,411	6,919	6,045	2,536	396	163	20
Amount.....	36,371	8,081	12,950	10,055	4,121	734	376	55
Total itemized deductions:								
Number of returns.....	166,851	8,687	26,918	50,057	47,014	17,846	11,906	4,423
Amount.....	2,710,869	169,142	238,081	546,335	685,198	336,612	367,086	368,414
Taxable income:								
Number of returns.....	475,489	129,840	149,552	101,517	58,768	19,011	12,311	4,490
Amount.....	11,824,875	486,517	1,947,012	2,649,511	2,452,904	1,158,657	1,221,530	1,908,744
Total tax liability:								
Number of returns.....	481,830	135,384	150,127	101,682	58,797	19,022	12,324	4,494
Amount.....	2,463,848	85,447	313,734	463,498	477,233	260,882	324,067	538,987
Average (whole dollars).....	5,114	632	2,090	4,559	8,117	13,715	26,296	119,935
Earned income credit:								
Number of returns.....	36,291	22,071	14,220	--	--	--	--	--
Amount.....	18,805	15,117	3,688	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	19,984	17,742	2,242	--	--	--	--	--
Amount.....	10,869	10,360	509	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>IDAHO</b>								
Number of returns.....	427,628	188,465	113,674	79,936	31,030	7,339	5,304	1,880
Number of exemptions.....	1,039,872	309,928	313,151	262,192	104,908	24,908	18,449	6,336
Adjusted gross income (less deficit).....	10,634,431	1,016,109	2,475,637	3,084,794	1,843,584	624,970	702,175	887,162
<b>Salaries and wages:</b>								
Number of returns.....	355,941	148,268	96,349	72,016	27,696	6,156	4,042	1,414
Amount.....	7,820,953	982,657	1,897,266	2,489,025	1,404,507	397,184	338,189	312,126
<b>Interest income:</b>								
Number of returns.....	257,003	83,391	68,564	62,609	28,357	7,023	5,186	1,873
Amount.....	719,115	148,658	160,477	139,473	93,366	42,482	58,749	75,709
<b>Dividends:</b>								
Number of returns.....	78,629	18,393	18,212	20,186	12,822	4,134	3,432	1,450
Amount.....	218,181	25,637	31,921	35,939	28,095	15,465	23,286	57,838
<b>Net capital gain (less loss):</b>								
Number of returns.....	61,005	14,357	14,533	14,357	9,473	3,552	3,289	1,444
Amount.....	451,074	35,496	37,814	49,862	54,885	34,416	67,219	171,384
<b>Taxable pensions and annuities:</b>								
Number of returns.....	81,950	20,302	19,382	13,455	6,089	1,501	924	297
Amount.....	541,615	102,911	171,132	140,500	75,018	22,303	17,239	12,512
<b>Unemployment compensation:</b>								
Number of returns.....	40,327	13,524	15,977	8,966	1,593	188	70	9
Amount.....	62,940	18,173	26,531	14,865	2,832	369	157	13
<b>Total itemized deductions:</b>								
Number of returns.....	120,453	9,997	25,812	45,005	26,061	6,710	5,027	1,841
Amount.....	1,397,058	85,637	204,884	418,166	319,927	110,348	123,985	134,111
<b>Taxable income:</b>								
Number of returns.....	338,908	103,244	110,376	79,783	31,004	7,333	5,291	1,877
Amount.....	6,581,566	318,976	1,261,972	1,964,922	1,289,985	463,017	541,627	741,067
<b>Total tax liability:</b>								
Number of returns.....	349,265	113,029	110,965	79,756	31,001	7,335	5,300	1,879
Amount.....	1,329,668	63,159	212,099	333,353	254,351	108,688	146,296	211,721
Average (whole dollars).....	3,808	559	1,912	4,180	8,205	14,818	27,604	112,678
<b>Earned income credit:</b>								
Number of returns.....	52,881	36,077	16,804	--	--	--	--	--
Amount.....	30,776	26,390	4,386	--	--	--	--	--
<b>Excess earned income credit:<sup>2</sup></b>								
Number of returns.....	33,995	30,463	3,532	--	--	--	--	--
Amount.....	20,559	19,704	855	--	--	--	--	--
<b>ILLINOIS</b>								
Number of returns.....	5,357,997	2,086,804	1,322,530	1,045,649	565,756	169,747	120,574	46,937
Number of exemptions.....	11,538,370	2,981,326	2,883,219	2,845,570	1,756,478	533,651	384,548	153,578
Adjusted gross income (less deficit).....	170,173,371	12,311,484	28,840,488	40,814,281	34,005,890	14,447,444	15,889,535	23,864,248
<b>Salaries and wages:</b>								
Number of returns.....	4,514,438	1,589,837	1,139,535	958,124	527,026	155,081	105,532	39,303
Amount.....	129,648,342	10,342,959	23,049,068	34,307,471	28,594,773	11,415,273	10,884,451	11,054,347
<b>Interest income:</b>								
Number of returns.....	3,520,121	1,002,627	822,155	846,703	521,748	162,929	117,415	46,544
Amount.....	11,705,240	1,904,911	2,075,807	2,071,863	1,617,948	780,042	1,044,973	2,209,696
<b>Dividends:</b>								
Number of returns.....	1,225,499	259,326	232,075	282,687	232,807	95,703	83,973	38,928
Amount.....	4,352,429	372,375	474,419	611,908	596,585	366,775	597,150	1,333,218
<b>Net capital gain (less loss):</b>								
Number of returns.....	570,579	96,829	96,108	123,872	108,388	52,714	58,505	34,163
Amount.....	5,749,946	319,128	110,496	235,144	339,267	312,917	760,503	3,672,491
<b>Taxable pensions and annuities:</b>								
Number of returns.....	834,542	269,134	233,253	171,618	99,635	31,548	21,521	7,833
Amount.....	6,621,009	1,238,963	1,799,585	1,538,663	1,010,099	396,789	357,820	279,089
<b>Unemployment compensation:</b>								
Number of returns.....	323,840	96,220	101,189	85,114	33,105	5,480	2,378	354
Amount.....	740,918	200,530	254,276	193,660	72,432	12,738	6,329	952
<b>Total itemized deductions:</b>								
Number of returns.....	1,489,328	85,452	222,299	463,070	411,335	147,710	113,155	46,307
Amount.....	19,898,758	933,265	1,880,761	4,400,707	4,916,956	2,358,909	2,622,065	2,786,096
<b>Taxable income:</b>								
Number of returns.....	4,461,085	1,214,980	1,300,454	1,043,450	565,295	169,595	120,434	46,877
Amount.....	118,005,091	3,970,272	16,950,122	28,058,427	24,815,583	10,929,726	12,489,886	20,791,076
<b>Total tax liability:</b>								
Number of returns.....	4,503,014	1,257,444	1,299,305	1,043,820	565,401	169,650	120,483	46,911
Amount.....	24,983,861	703,346	2,725,963	4,883,032	4,893,439	2,494,507	3,309,083	5,974,492
Average (whole dollars).....	5,549	560	2,099	4,679	8,655	14,704	27,466	127,359
<b>Earned income credit:</b>								
Number of returns.....	516,679	364,326	152,353	--	--	--	--	--
Amount.....	298,717	258,406	40,311	--	--	--	--	--
<b>Excess earned income credit:<sup>2</sup></b>								
Number of returns.....	348,882	321,062	27,820	--	--	--	--	--
Amount.....	208,596	201,962	6,634	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>INDIANA</b>								
Number of returns.....	2,525,554	1,049,967	622,751	511,193	238,017	58,006	33,227	12,393
Number of exemptions.....	5,562,421	1,518,322	1,458,657	1,488,333	759,263	186,873	109,518	41,455
Adjusted gross income (less deficit).....	68,950,703	6,238,219	13,526,432	19,946,183	14,207,445	4,910,480	4,353,455	5,768,489
Salaries and wages:								
Number of returns.....	2,150,182	818,847	539,222	476,252	224,074	53,017	28,336	10,434
Amount.....	54,334,429	5,274,902	10,868,397	17,251,553	12,153,524	3,797,382	2,598,933	2,389,739
Interest income:								
Number of returns.....	1,546,536	464,746	365,960	398,135	217,294	55,654	32,457	12,290
Amount.....	4,040,453	792,434	886,493	810,206	563,745	247,533	290,621	449,421
Dividends:								
Number of returns.....	450,854	98,476	90,231	113,754	86,073	30,289	22,097	9,934
Amount.....	1,255,765	119,071	156,947	187,411	169,390	100,012	156,511	366,423
Net capital gain (less loss):								
Number of returns.....	223,251	43,747	44,269	52,527	40,476	17,362	16,112	8,758
Amount.....	1,434,839	93,647	73,021	120,958	138,776	99,579	195,561	713,297
Taxable pensions and annuities:								
Number of returns.....	403,249	150,366	115,286	78,813	40,021	10,640	6,066	2,057
Amount.....	2,967,856	734,129	918,177	655,248	372,636	134,257	98,414	54,995
Unemployment compensation:								
Number of returns.....	140,371	41,158	43,482	40,898	12,832	1,639	329	33
Amount.....	156,179	50,238	52,405	40,272	11,298	1,436	470	61
Total itemized deductions:								
Number of returns.....	607,413	33,817	93,096	214,605	171,246	51,025	31,417	12,207
Amount.....	6,824,798	418,661	717,842	1,832,023	1,831,521	722,955	651,919	649,877
Taxable income:								
Number of returns.....	2,066,434	599,926	614,436	510,628	237,889	57,978	33,194	12,383
Amount.....	46,122,310	1,959,891	7,694,757	13,657,349	10,506,539	3,781,458	3,481,474	5,040,841
Total tax liability:								
Number of returns.....	2,091,665	624,580	614,971	510,615	237,908	57,991	33,211	12,389
Amount.....	9,177,675	345,304	1,242,528	2,298,820	2,046,779	863,114	934,292	1,446,838
Average (whole dollars).....	4,388	553	2,021	4,503	8,604	14,884	28,133	116,785
Earned income credit:								
Number of returns.....	251,523	174,324	77,199	--	--	--	--	--
Amount.....	145,582	125,093	20,489	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	162,902	151,722	11,180	--	--	--	--	--
Amount.....	97,810	95,225	2,585	--	--	--	--	--
<b>IOWA</b>								
Number of returns.....	1,268,962	547,395	325,431	247,118	104,617	23,741	15,557	5,103
Number of exemptions.....	2,823,834	775,214	801,081	757,008	343,475	78,009	51,847	17,200
Adjusted gross income (less deficit).....	32,207,334	2,970,788	7,105,671	9,575,798	6,215,964	2,016,383	2,042,106	2,280,624
Salaries and wages:								
Number of returns.....	1,017,086	403,171	264,660	219,171	93,221	20,001	12,533	4,329
Amount.....	23,384,381	2,463,685	5,144,691	7,524,159	4,781,652	1,329,852	1,121,025	1,019,317
Interest income:								
Number of returns.....	905,860	313,954	233,354	215,003	99,913	23,214	15,349	5,073
Amount.....	2,702,111	550,658	652,645	575,867	378,105	155,389	176,556	212,891
Dividends:								
Number of returns.....	292,484	73,052	68,730	74,283	47,020	14,266	10,926	4,207
Amount.....	658,146	80,185	104,738	117,843	100,008	54,845	76,849	123,678
Net capital gain (less loss):								
Number of returns.....	184,902	43,421	46,540	45,281	27,363	9,867	8,704	3,726
Amount.....	866,795	77,772	114,826	150,652	118,428	64,304	102,102	238,711
Taxable pensions and annuities:								
Number of returns.....	186,294	67,712	57,104	37,194	16,358	4,286	2,758	882
Amount.....	1,251,350	293,018	406,301	287,793	148,219	52,702	41,751	21,566
Unemployment compensation:								
Number of returns.....	82,552	23,860	30,164	21,847	6,028	510	130	13
Amount.....	129,603	39,015	50,613	31,821	7,102	720	283	47
Total itemized deductions:								
Number of returns.....	329,020	30,366	62,496	113,769	81,130	21,355	14,853	5,051
Amount.....	3,503,731	246,348	463,856	947,210	865,360	315,750	328,245	336,962
Taxable income:								
Number of returns.....	1,047,084	330,877	320,367	246,881	104,581	23,733	15,547	5,098
Amount.....	21,025,224	1,010,347	3,953,567	6,451,537	4,549,341	1,537,499	1,611,830	1,911,103
Total tax liability:								
Number of returns.....	1,070,369	353,863	320,755	246,779	104,585	23,736	15,553	5,098
Amount.....	4,231,251	192,742	670,891	1,114,282	908,722	362,018	434,799	547,797
Average (whole dollars).....	3,954	545	2,092	4,516	8,689	15,252	27,956	107,454
Earned income credit:								
Number of returns.....	103,092	68,841	34,251	--	--	--	--	--
Amount.....	57,106	48,313	8,793	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	60,877	55,982	4,895	--	--	--	--	--
Amount.....	34,902	33,781	1,121	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>KANSAS</b>								
Number of returns.....	1,103,989	447,258	284,160	218,591	102,757	26,992	17,947	6,284
Number of exemptions.....	2,497,991	653,014	696,103	651,679	329,460	87,253	59,401	21,081
Adjusted gross income (less deficit).....	31,092,601	2,593,252	6,196,650	8,483,357	6,144,521	2,293,971	2,357,404	3,023,446
Salaries and wages:								
Number of returns.....	915,283	342,334	239,478	196,512	93,215	23,620	14,923	5,201
Amount.....	23,009,674	2,207,303	4,729,494	6,836,664	4,896,361	1,641,185	1,417,468	1,281,199
Interest income:								
Number of returns.....	719,785	219,270	178,551	176,934	95,095	26,093	17,602	6,240
Amount.....	2,414,922	422,976	500,019	472,883	339,483	153,770	191,391	334,399
Dividends:								
Number of returns.....	232,851	48,704	49,434	59,782	42,449	15,252	12,132	5,098
Amount.....	675,765	58,831	79,013	95,045	88,332	53,245	83,412	217,887
Net capital gain (less loss):								
Number of returns.....	141,930	28,935	30,436	33,810	24,110	10,212	9,706	4,721
Amount.....	758,184	61,255	47,626	70,821	71,469	50,810	99,202	357,003
Taxable pensions and annuities:								
Number of returns.....	167,847	50,072	49,952	38,010	19,626	5,573	3,546	1,068
Amount.....	1,298,792	225,924	376,867	329,511	205,810	74,044	55,741	30,894
Unemployment compensation:								
Number of returns.....	63,141	20,850	21,703	15,144	4,588	611	222	23
Amount.....	114,406	35,505	40,953	27,737	8,454	1,205	487	66
Total itemized deductions:								
Number of returns.....	304,855	21,433	52,796	103,050	80,104	24,195	17,058	6,219
Amount.....	3,764,935	252,470	445,220	931,550	931,128	386,792	400,552	417,222
Taxable income:								
Number of returns.....	913,803	262,675	278,967	218,317	102,679	26,966	17,923	6,276
Amount.....	20,529,230	832,935	3,422,783	5,688,201	4,446,395	1,723,703	1,841,209	2,574,005
Total tax liability:								
Number of returns.....	932,321	280,699	279,432	218,308	102,697	26,972	17,933	6,280
Amount.....	4,218,338	157,650	569,643	977,858	878,459	398,953	493,630	742,146
Average (whole dollars).....	4,525	562	2,039	4,480	8,554	14,792	27,527	118,177
Earned income credit:								
Number of returns.....	101,547	67,552	33,995	--	--	--	--	--
Amount.....	56,804	47,933	8,871	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	62,761	57,032	5,729	--	--	--	--	--
Amount.....	36,684	35,343	1,341	--	--	--	--	--
<b>KENTUCKY</b>								
Number of returns.....	1,515,983	694,251	383,539	271,271	114,311	26,624	18,705	7,282
Number of exemptions.....	3,384,051	1,127,510	936,754	790,450	360,803	85,070	59,864	23,600
Adjusted gross income (less deficit).....	38,049,902	4,348,008	8,317,818	10,506,325	6,803,232	2,260,088	2,482,254	3,332,177
Salaries and wages:								
Number of returns.....	1,279,281	543,804	333,435	250,800	105,885	23,674	15,684	5,999
Amount.....	29,371,649	3,646,331	6,660,126	8,917,512	5,627,902	1,649,531	1,477,516	1,392,731
Interest income:								
Number of returns.....	820,986	252,338	211,578	203,935	102,402	25,322	18,199	7,212
Amount.....	2,373,213	480,323	517,521	455,611	315,419	138,118	179,836	286,386
Dividends:								
Number of returns.....	227,710	47,347	47,603	57,587	42,180	14,564	12,589	5,840
Amount.....	729,412	63,487	80,783	104,102	100,899	61,997	100,794	217,350
Net capital gain (less loss):								
Number of returns.....	125,980	26,391	26,405	29,106	21,187	8,719	9,095	5,077
Amount.....	954,088	64,189	51,534	78,779	84,875	60,190	124,943	489,578
Taxable pensions and annuities:								
Number of returns.....	216,557	77,356	64,398	43,737	20,871	5,445	3,582	1,168
Amount.....	1,763,968	391,229	546,559	415,275	231,380	75,070	57,705	46,751
Unemployment compensation:								
Number of returns.....	146,313	46,368	53,128	36,427	9,108	900	344	38
Amount.....	193,773	61,577	73,526	45,341	11,108	1,418	722	82
Total itemized deductions:								
Number of returns.....	378,762	24,803	72,799	138,529	92,952	24,518	17,970	7,191
Amount.....	4,353,915	280,740	542,601	1,222,424	1,070,251	391,420	411,158	435,321
Taxable income:								
Number of returns.....	1,182,960	366,792	378,453	270,927	114,228	26,600	18,686	7,274
Amount.....	24,178,379	1,213,488	4,528,817	7,034,378	4,904,221	1,692,360	1,952,497	2,852,619
Total tax liability:								
Number of returns.....	1,223,641	406,887	378,985	270,952	114,239	26,609	18,692	7,277
Amount.....	4,832,710	233,344	741,666	1,175,918	950,130	388,093	524,051	819,507
Average (whole dollars).....	3,950	574	1,957	4,340	8,318	14,586	28,037	112,617
Earned income credit:								
Number of returns.....	208,868	153,322	55,546	--	--	--	--	--
Amount.....	123,857	108,997	14,861	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	138,731	130,644	8,087	--	--	--	--	--
Amount.....	83,471	81,842	1,829	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>LOUISIANA</b>								
Number of returns.....	1,688,430	813,288	408,854	277,359	126,100	32,369	21,607	8,853
Number of exemptions.....	3,932,507	1,413,222	1,060,993	838,549	412,598	106,041	71,426	29,678
Adjusted gross income (less deficit).....	41,387,991	4,687,207	8,824,665	10,759,871	7,538,827	2,747,678	2,861,008	3,968,735
Salaries and wages:								
Number of returns.....	1,436,979	656,033	357,844	254,614	116,019	28,517	17,181	6,771
Amount.....	32,354,031	4,494,325	7,212,059	9,092,271	6,218,065	2,026,607	1,600,463	1,710,240
Interest income:								
Number of returns.....	844,816	258,588	211,550	203,044	111,532	30,487	20,906	8,729
Amount.....	2,517,035	438,613	484,841	470,451	354,505	166,193	237,537	364,895
Dividends:								
Number of returns.....	245,198	49,568	50,114	61,391	46,242	16,818	14,076	6,989
Amount.....	695,266	63,129	79,902	103,052	100,951	62,587	105,560	180,086
Net capital gain (less loss):								
Number of returns.....	124,945	23,873	23,007	28,086	23,005	10,216	10,544	6,214
Amount.....	817,802	52,945	21,354	37,418	58,033	51,539	109,902	486,610
Taxable pensions and annuities:								
Number of returns.....	224,963	69,134	65,003	50,031	27,414	7,587	4,373	1,421
Amount.....	2,119,262	390,388	609,676	529,960	338,517	117,745	88,084	44,892
Unemployment compensation:								
Number of returns.....	85,934	35,053	27,862	17,666	4,579	597	153	24
Amount.....	121,553	44,529	41,855	26,400	7,393	1,048	286	42
Total itemized deductions:								
Number of returns.....	321,407	22,855	61,216	104,127	80,488	25,344	18,745	8,632
Amount.....	3,664,167	192,694	501,925	931,066	867,413	355,444	382,403	433,223
Taxable income:								
Number of returns.....	1,259,317	392,485	401,159	276,908	126,003	32,348	21,573	8,841
Amount.....	26,761,883	1,236,908	4,679,305	7,281,506	5,609,964	2,146,850	2,327,977	3,479,372
Total tax liability:								
Number of returns.....	1,287,459	420,713	400,989	276,945	126,026	32,354	21,585	8,847
Amount.....	5,452,046	232,396	754,827	1,222,937	1,104,189	496,433	635,566	1,005,696
Average (whole dollars).....	4,235	553	1,883	4,416	8,762	15,344	29,445	113,677
Earned income credit:								
Number of returns.....	333,570	260,874	72,896	--	--	--	--	--
Amount.....	207,418	187,462	19,955	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	251,188	236,846	14,342	--	--	--	--	--
Amount.....	157,162	153,710	3,451	--	--	--	--	--
<b>MAINE</b>								
Number of returns.....	566,064	238,216	155,161	109,721	44,521	9,503	6,606	2,336
Number of exemptions.....	1,200,825	332,072	352,254	317,212	140,103	30,256	21,461	7,467
Adjusted gross income (less deficit).....	14,390,851	1,477,098	3,364,292	4,243,899	2,641,706	808,271	874,418	981,167
Salaries and wages:								
Number of returns.....	479,120	187,082	135,108	100,870	40,822	8,145	5,262	1,831
Amount.....	10,939,101	1,218,164	2,656,769	3,535,764	2,137,105	552,473	464,063	374,765
Interest income:								
Number of returns.....	378,767	119,448	104,774	93,672	42,615	9,365	6,561	2,332
Amount.....	954,036	181,856	212,617	198,766	132,843	59,065	77,111	91,778
Dividends:								
Number of returns.....	102,756	24,624	24,125	25,537	16,779	5,233	4,568	1,890
Amount.....	362,244	35,078	51,017	62,734	58,356	33,122	53,843	68,094
Net capital gain (less loss):								
Number of returns.....	53,046	11,239	11,637	12,538	8,798	3,548	3,585	1,701
Amount.....	402,629	24,949	28,166	42,621	49,449	36,046	66,952	154,447
Taxable pensions and annuities:								
Number of returns.....	83,136	26,170	26,144	18,325	8,609	2,092	1,371	425
Amount.....	717,189	130,309	230,775	187,562	102,203	31,010	25,193	10,136
Unemployment compensation:								
Number of returns.....	53,899	21,968	18,340	11,032	2,209	270	73	7
Amount.....	100,602	41,721	35,367	18,981	3,840	548	131	15
Total itemized deductions:								
Number of returns.....	148,866	10,453	28,491	54,956	37,156	9,051	6,449	2,310
Amount.....	1,817,872	101,964	240,755	528,150	457,805	158,639	172,359	158,200
Taxable income:								
Number of returns.....	466,703	141,696	152,720	109,412	44,457	9,494	6,592	2,332
Amount.....	9,118,748	482,018	1,900,624	2,808,499	1,868,222	588,889	661,637	808,858
Total tax liability:								
Number of returns.....	477,866	152,202	153,329	109,432	44,475	9,496	6,598	2,334
Amount.....	1,776,666	90,576	312,099	470,721	359,125	134,732	177,386	232,027
Average (whole dollars).....	3,718	596	2,036	4,302	8,075	14,189	26,885	99,412
Earned income credit:								
Number of returns.....	53,094	35,501	17,593	--	--	--	--	--
Amount.....	29,118	24,529	4,589	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	30,896	28,523	2,373	--	--	--	--	--
Amount.....	17,132	16,609	523	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MARYLAND</b>								
Number of returns.....	2,333,538	796,779	590,806	460,751	287,833	109,167	68,532	19,670
Number of exemptions.....	4,801,869	1,014,622	1,178,507	1,135,358	852,993	338,315	217,432	64,642
Adjusted gross income (less deficit).....	79,890,956	4,587,474	12,891,996	18,016,347	17,465,247	9,317,322	8,842,893	8,769,678
Salaries and wages:								
Number of returns.....	2,016,453	628,473	521,219	420,320	267,002	101,581	61,548	16,310
Amount.....	62,818,252	4,323,543	10,693,277	15,120,835	14,708,452	7,682,674	6,300,541	3,988,928
Interest income:								
Number of returns.....	1,516,136	350,791	338,304	369,329	265,207	105,488	67,440	19,577
Amount.....	4,380,773	574,202	609,806	728,893	676,779	390,684	520,058	880,352
Dividends:								
Number of returns.....	489,935	84,727	76,789	109,045	105,045	53,980	44,388	15,961
Amount.....	1,654,646	117,480	151,545	224,178	251,468	172,185	274,298	463,492
Net capital gain (less loss):								
Number of returns.....	231,262	31,566	30,994	45,936	48,091	29,426	31,123	14,126
Amount.....	2,069,923	145,486	38,873	81,145	130,604	193,629	336,902	1,203,284
Taxable pensions and annuities:								
Number of returns.....	354,017	80,378	90,966	82,255	58,550	23,122	15,077	3,669
Amount.....	4,499,440	464,318	934,993	1,118,071	976,929	458,219	377,844	169,066
Unemployment compensation:								
Number of returns.....	116,053	33,582	36,880	28,690	13,182	2,615	1,004	100
Amount.....	229,517	67,347	75,659	53,183	25,211	5,550	2,315	251
Total itemized deductions:								
Number of returns.....	918,530	41,752	136,961	285,056	258,387	106,837	67,955	19,582
Amount.....	14,105,345	513,151	1,221,056	3,100,310	3,724,441	2,066,972	1,920,315	1,559,100
Taxable income:								
Number of returns.....	2,022,668	498,976	580,125	459,016	287,450	109,059	68,432	19,610
Amount.....	53,333,898	1,714,488	7,627,496	11,890,308	11,911,601	6,574,261	6,501,619	7,114,115
Total tax liability:								
Number of returns.....	2,033,587	509,735	579,761	459,322	287,550	109,102	68,472	19,645
Amount.....	11,008,589	295,397	1,206,293	2,062,274	2,281,980	1,442,946	1,672,509	2,047,191
Average (whole dollars).....	5,414	580	2,081	4,490	7,936	13,226	24,427	104,210
Earned income credit:								
Number of returns.....	203,222	133,815	69,407	--	--	--	--	--
Amount.....	115,300	96,971	18,329	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	127,278	115,758	11,520	--	--	--	--	--
Amount.....	75,168	72,516	2,652	--	--	--	--	--
<b>MASSACHUSETTS</b>								
Number of returns.....	2,900,054	1,011,801	771,243	578,514	330,092	106,789	76,099	25,516
Number of exemptions.....	5,760,081	1,254,172	1,447,504	1,429,070	979,959	327,184	239,560	82,832
Adjusted gross income (less deficit).....	96,073,988	5,503,282	16,907,618	22,538,261	19,930,028	9,096,061	10,016,047	12,082,711
Salaries and wages:								
Number of returns.....	2,451,974	746,108	672,048	534,573	310,715	99,421	67,716	21,393
Amount.....	74,477,062	4,973,756	13,575,365	18,967,062	17,015,845	7,458,931	7,021,447	5,464,856
Interest income:								
Number of returns.....	2,170,088	587,648	552,540	508,905	315,612	104,693	75,261	25,429
Amount.....	6,843,906	1,004,002	1,180,965	1,218,190	962,955	472,322	666,384	1,139,088
Dividends:								
Number of returns.....	647,087	135,023	122,900	144,201	119,914	54,206	49,931	20,912
Amount.....	2,285,395	184,760	221,665	293,386	300,739	201,436	375,325	708,083
Net capital gain (less loss):								
Number of returns.....	300,731	50,027	47,083	61,241	57,087	31,104	35,986	18,203
Amount.....	2,893,628	176,210	43,446	100,644	166,441	166,092	418,473	1,822,322
Taxable pensions and annuities:								
Number of returns.....	444,583	133,429	129,729	92,641	54,475	17,411	12,732	4,163
Amount.....	3,763,099	658,589	1,078,121	881,984	565,622	225,071	216,489	137,224
Unemployment compensation:								
Number of returns.....	274,883	76,226	86,921	70,731	31,932	6,163	2,563	347
Amount.....	865,782	202,946	292,850	237,815	102,461	19,837	8,508	1,366
Total itemized deductions:								
Number of returns.....	976,512	82,517	147,881	291,866	272,038	101,691	75,102	25,417
Amount.....	15,147,421	744,612	1,503,537	3,189,541	3,782,546	1,895,418	2,098,258	1,933,509
Taxable income:								
Number of returns.....	2,518,775	650,577	755,054	575,703	329,429	106,600	75,953	25,459
Amount.....	65,901,018	2,283,861	10,435,875	15,283,111	13,916,528	6,531,681	7,451,315	9,996,645
Total tax liability:								
Number of returns.....	2,550,066	677,185	758,621	576,456	329,632	106,665	76,014	25,493
Amount.....	13,806,361	410,259	1,690,703	2,715,501	2,719,042	1,464,443	1,944,703	2,861,709
Average (whole dollars).....	5,415	606	2,229	4,711	8,249	13,730	25,584	112,255
Earned income credit:								
Number of returns.....	169,378	110,203	59,175	--	--	--	--	--
Amount.....	91,220	75,950	15,270	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	99,837	90,331	9,506	--	--	--	--	--
Amount.....	55,796	53,551	2,245	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>MICHIGAN</b>								
Number of returns.....	4,168,074	1,681,129	950,757	842,314	458,711	134,132	76,065	24,966
Number of exemptions.....	8,863,303	2,272,665	2,086,810	2,308,530	1,437,925	429,726	246,478	81,189
Adjusted gross income (less deficit).....	124,821,091	10,354,983	20,727,678	33,006,866	27,600,324	11,389,165	9,891,372	11,850,702
Salaries and wages:								
Number of returns.....	3,526,886	1,286,711	804,251	783,630	435,404	126,361	68,566	21,963
Amount.....	98,854,779	7,834,900	15,965,871	28,251,910	23,920,698	9,513,765	7,128,028	6,239,607
Interest income:								
Number of returns.....	2,720,405	790,661	604,102	676,012	421,758	128,807	74,321	24,744
Amount.....	7,001,588	1,254,614	1,401,851	1,288,420	1,002,828	468,097	580,918	1,004,859
Dividends:								
Number of returns.....	950,272	204,405	181,664	229,442	189,177	73,465	51,552	20,567
Amount.....	2,744,188	292,938	358,920	415,522	388,332	219,662	326,235	742,579
Net capital gain (less loss):								
Number of returns.....	440,043	82,593	81,826	98,247	84,324	38,892	36,244	17,917
Amount.....	2,359,296	115,938	110,710	196,191	244,340	178,354	351,063	1,162,802
Taxable pensions and annuities:								
Number of returns.....	679,556	255,656	191,608	123,205	69,398	22,289	13,425	3,975
Amount.....	5,873,405	1,409,708	1,774,553	1,268,860	757,899	291,726	231,501	139,156
Unemployment compensation:								
Number of returns.....	469,455	100,129	128,973	162,580	65,064	10,653	1,897	159
Amount.....	1,018,916	205,541	330,375	332,544	124,098	21,153	4,672	532
Total itemized deductions:								
Number of returns.....	1,366,034	74,158	202,623	468,420	392,253	128,873	74,841	24,866
Amount.....	16,284,353	707,525	1,565,672	4,118,750	4,506,292	2,041,287	1,776,506	1,568,322
Taxable income:								
Number of returns.....	3,454,667	981,479	938,453	841,248	458,468	134,055	76,015	24,949
Amount.....	83,904,253	3,228,329	12,080,436	22,497,933	19,874,391	8,464,938	7,628,328	10,129,898
Total tax liability:								
Number of returns.....	3,491,761	1,017,121	939,751	841,313	458,514	134,071	76,032	24,959
Amount.....	16,974,133	562,098	1,943,937	3,845,264	3,837,554	1,882,395	1,982,147	2,920,738
Average (whole dollars).....	4,862	553	2,069	4,571	8,370	14,041	26,070	117,022
Earned income credit:								
Number of returns.....	330,746	231,279	99,467	--	--	--	--	--
Amount.....	184,316	158,493	25,823	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	213,830	199,274	14,556	--	--	--	--	--
Amount.....	122,686	119,313	3,373	--	--	--	--	--
<b>MINNESOTA</b>								
Number of returns.....	2,024,807	788,801	509,729	414,279	205,406	54,557	39,111	12,924
Number of exemptions.....	4,326,901	1,001,225	1,115,375	1,200,896	661,235	176,783	129,079	42,308
Adjusted gross income (less deficit).....	60,095,076	4,584,759	11,141,275	16,158,867	12,280,892	4,643,363	5,153,247	6,132,674
Salaries and wages:								
Number of returns.....	1,708,651	603,130	433,821	381,804	193,168	50,305	35,058	11,365
Amount.....	46,283,009	3,816,285	8,540,449	13,409,844	10,359,126	3,650,297	3,623,010	2,883,999
Interest income:								
Number of returns.....	1,436,756	438,401	350,438	351,178	192,491	52,952	38,433	12,863
Amount.....	3,753,324	686,592	776,791	700,880	476,447	215,299	302,382	594,933
Dividends:								
Number of returns.....	480,502	104,578	99,934	118,987	87,486	31,760	27,152	10,605
Amount.....	1,258,814	128,948	159,679	183,223	156,701	92,785	155,731	381,747
Net capital gain (less loss):								
Number of returns.....	290,194	59,758	62,444	66,276	49,077	21,225	21,590	9,824
Amount.....	1,607,129	140,640	127,745	158,961	149,414	103,119	212,173	715,075
Taxable pensions and annuities:								
Number of returns.....	281,386	87,996	86,530	60,136	29,662	8,589	6,264	2,209
Amount.....	2,326,709	414,306	724,573	578,369	312,071	112,068	101,976	83,346
Unemployment compensation:								
Number of returns.....	131,998	32,281	45,740	38,409	12,715	1,864	864	125
Amount.....	313,494	63,046	114,459	96,451	31,576	5,054	2,496	411
Total itemized deductions:								
Number of returns.....	724,829	43,287	130,718	261,069	185,307	52,981	38,581	12,886
Amount.....	9,402,835	395,534	1,064,580	2,519,511	2,358,834	951,038	1,060,349	1,052,990
Taxable income:								
Number of returns.....	1,731,585	505,998	500,459	413,445	205,223	54,522	39,040	12,898
Amount.....	39,230,980	1,627,004	6,409,118	10,524,508	8,495,748	3,333,194	3,838,938	5,002,470
Total tax liability:								
Number of returns.....	1,762,260	534,911	502,089	413,459	205,280	54,533	39,072	12,916
Amount.....	7,980,521	301,422	1,065,721	1,808,756	1,627,502	749,929	999,373	1,427,817
Average (whole dollars).....	4,529	564	2,123	4,375	7,929	13,752	25,578	110,547
Earned income credit:								
Number of returns.....	131,470	85,420	46,050	--	--	--	--	--
Amount.....	71,507	59,696	11,811	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	74,470	67,360	7,110	--	--	--	--	--
Amount.....	41,483	39,842	1,642	--	--	--	--	--

See notes following Table 20.



# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MISSISSIPPI</b>								
Number of returns.....	1,015,361	529,824	248,104	150,975	60,302	13,704	8,928	3,524
Number of exemptions.....	2,373,079	973,404	657,318	462,488	194,911	44,134	29,208	11,616
Adjusted gross income (less deficit).....	21,938,373	3,361,794	5,316,331	5,826,861	3,582,876	1,162,718	1,179,818	1,507,974
Salaries and wages:								
Number of returns.....	888,653	450,739	221,785	139,169	55,214	11,891	7,062	2,793
Amount.....	17,348,869	3,123,373	4,433,253	4,915,221	2,892,512	798,743	602,352	583,415
Interest income:								
Number of returns.....	426,324	130,810	113,116	104,900	52,462	12,928	8,628	3,480
Amount.....	1,246,513	234,197	268,367	247,962	178,472	79,868	104,607	133,020
Dividends:								
Number of returns.....	117,622	24,350	25,362	30,507	21,309	7,338	5,920	2,898
Amount.....	302,806	29,715	35,570	47,480	43,378	26,605	44,281	75,777
Net capital gain (less loss):								
Number of returns.....	64,477	12,773	13,127	15,291	11,293	4,810	4,651	2,532
Amount.....	507,752	33,707	29,688	43,001	47,081	37,548	72,357	244,369
Taxable pensions and annuities:								
Number of returns.....	119,152	37,390	35,944	27,177	13,054	3,243	1,784	560
Amount.....	1,039,561	194,146	305,843	275,315	162,364	52,093	32,219	17,581
Unemployment compensation:								
Number of returns.....	79,347	42,820	22,081	11,853	2,198	315	71	9
Amount.....	97,629	51,892	27,656	14,295	3,049	572	144	22
Total itemized deductions:								
Number of returns.....	193,277	13,518	40,417	68,577	46,514	12,308	8,465	3,478
Amount.....	2,141,161	152,361	318,535	610,112	513,805	181,283	182,263	182,801
Taxable income:								
Number of returns.....	723,059	242,432	243,491	150,740	60,264	13,692	8,917	3,523
Amount.....	13,100,041	747,564	2,743,464	3,868,359	2,609,226	888,328	939,920	1,303,179
Total tax liability:								
Number of returns.....	740,288	259,954	243,182	150,737	60,269	13,701	8,921	3,524
Amount.....	2,575,929	139,613	443,579	643,090	510,095	206,587	256,446	376,519
Average (whole dollars):	3,480	538	1,825	4,267	8,464	15,079	28,747	106,845
Earned income credit:								
Number of returns.....	260,859	210,234	50,625	--	--	--	--	--
Amount.....	167,576	153,358	14,219	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	203,477	193,716	9,761	--	--	--	--	--
Amount.....	130,122	127,789	2,333	--	--	--	--	--
<b>MISSOURI</b>								
Number of returns.....	2,287,618	979,399	581,546	428,967	199,018	52,395	33,957	12,336
Number of exemptions.....	5,011,731	1,469,956	1,371,596	1,226,192	625,614	167,034	110,558	40,781
Adjusted gross income (less deficit).....	62,059,021	5,996,634	12,610,478	16,650,382	11,904,445	4,449,684	4,462,381	5,985,016
Salaries and wages:								
Number of returns.....	1,908,733	758,055	491,770	389,971	183,069	46,888	28,721	10,259
Amount.....	47,237,472	4,966,986	9,783,436	13,838,228	9,835,868	3,378,742	2,824,553	2,609,660
Interest income:								
Number of returns.....	1,415,519	432,092	359,928	344,129	183,496	50,425	33,206	12,243
Amount.....	4,566,791	828,436	1,000,476	889,358	623,874	279,969	354,648	590,030
Dividends:								
Number of returns.....	478,423	98,867	102,173	122,656	88,891	31,501	24,097	10,238
Amount.....	1,569,807	137,653	187,872	224,465	210,768	130,531	216,084	462,434
Net capital gain (less loss):								
Number of returns.....	262,275	55,749	57,629	60,294	43,207	18,215	17,948	9,233
Amount.....	1,487,074	90,735	94,559	129,061	139,443	96,902	192,487	743,887
Taxable pensions and annuities:								
Number of returns.....	362,677	117,606	110,434	75,420	38,569	11,272	7,163	2,213
Amount.....	2,879,470	566,673	890,741	699,491	406,224	144,208	114,140	57,992
Unemployment compensation:								
Number of returns.....	183,244	68,779	56,896	43,400	12,134	1,530	457	48
Amount.....	278,196	103,280	90,495	63,350	17,753	2,332	870	116
Total itemized deductions:								
Number of returns.....	581,108	35,984	99,984	200,884	152,743	46,978	32,359	12,176
Amount.....	6,850,013	386,277	786,605	1,798,651	1,724,689	717,271	722,065	714,456
Taxable income:								
Number of returns.....	1,857,826	558,934	572,997	428,396	198,908	52,349	33,923	12,319
Amount.....	41,006,357	1,820,989	7,080,831	11,311,585	8,698,580	3,378,336	3,520,824	5,195,212
Total tax liability:								
Number of returns.....	1,896,468	596,676	573,778	428,458	198,928	52,364	33,937	12,327
Amount.....	8,312,671	335,034	1,156,921	1,924,206	1,701,695	770,551	936,132	1,488,132
Average (whole dollars):	4,384	562	2,017	4,492	8,555	14,716	27,585	120,722
Earned income credit:								
Number of returns.....	258,600	183,704	74,896	--	--	--	--	--
Amount.....	150,789	130,887	19,902	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	170,242	158,809	11,433	--	--	--	--	--
Amount.....	101,692	99,033	2,659	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MONTANA</b>								
Number of returns.....	355,448	170,389	90,402	62,221	22,862	4,825	3,572	1,177
Number of exemptions.....	803,596	270,030	235,521	192,781	74,086	15,648	11,701	3,829
Adjusted gross income (less deficit).....	8,043,455	899,907	1,964,890	2,402,427	1,350,492	410,261	475,419	540,059
Salaries and wages:								
Number of returns.....	279,850	125,661	73,375	54,272	19,506	3,668	2,525	843
Amount.....	5,533,803	789,611	1,403,088	1,832,175	948,687	216,312	189,812	154,117
Interest income:								
Number of returns.....	237,561	88,803	64,547	53,355	21,506	4,869	3,512	1,169
Amount.....	703,055	142,799	162,333	145,287	95,499	40,269	50,674	66,193
Dividends:								
Number of returns.....	85,931	25,078	21,749	21,035	11,344	3,105	2,630	990
Amount.....	216,268	32,490	40,787	41,567	33,619	15,243	23,348	29,214
Net capital gain (less loss):								
Number of returns.....	60,560	17,871	15,312	13,742	7,733	2,544	2,416	942
Amount.....	345,856	39,867	38,885	50,706	46,721	30,917	50,974	87,785
Taxable pensions and annuities:								
Number of returns.....	54,107	19,660	17,127	10,936	4,487	1,034	669	194
Amount.....	477,407	100,990	156,705	122,948	60,400	17,664	13,612	5,090
Unemployment compensation:								
Number of returns.....	24,901	8,862	9,319	5,537	1,054	81	43	5
Amount.....	39,772	12,778	16,022	9,053	1,625	190	87	17
Total itemized deductions:								
Number of returns.....	96,492	11,824	23,561	34,426	18,013	4,200	3,327	1,141
Amount.....	996,043	88,858	178,050	304,044	204,307	65,627	74,371	80,785
Taxable income:								
Number of returns.....	274,167	91,219	88,410	62,135	22,839	4,821	3,569	1,174
Amount.....	5,006,407	279,320	1,029,905	1,574,615	975,974	311,533	377,872	457,189
Total tax liability:								
Number of returns.....	284,450	101,288	88,662	62,090	22,843	4,820	3,572	1,175
Amount.....	1,012,733	56,652	175,973	270,979	196,216	75,421	104,187	133,305
Average (whole dollars).....	3,561	560	1,985	4,365	8,590	15,648	29,168	113,452
Earned income credit:								
Number of returns.....	41,943	30,066	11,877	--	--	--	--	--
Amount.....	24,024	20,893	3,132	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	27,105	24,944	2,161	--	--	--	--	--
Amount.....	15,509	14,997	512	--	--	--	--	--

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NEBRASKA</b>								
Number of returns.....	732,497	319,054	191,101	138,960	57,062	13,729	9,133	3,458
Number of exemptions.....	1,626,480	445,465	475,097	429,629	187,996	45,746	30,917	11,630
Adjusted gross income (less deficit).....	18,906,025	1,822,751	4,151,753	5,369,833	3,394,063	1,167,340	1,199,422	1,800,861
Salaries and wages:								
Number of returns.....	604,527	247,404	160,308	123,991	50,825	11,760	7,367	2,872
Amount.....	13,627,369	1,580,463	3,115,253	4,227,303	2,579,357	770,254	647,442	707,299
Interest income:								
Number of returns.....	498,010	170,051	130,276	117,874	54,010	13,353	9,005	3,441
Amount.....	1,513,149	290,859	350,694	314,693	204,552	84,992	100,764	166,595
Dividends:								
Number of returns.....	158,976	37,045	36,903	41,626	26,155	8,101	6,315	2,831
Amount.....	387,866	42,811	57,661	65,459	56,072	30,448	47,630	87,784
Net capital gain (less loss):								
Number of returns.....	103,690	24,185	25,413	24,909	15,535	5,735	5,257	2,656
Amount.....	616,573	47,099	59,582	77,485	66,748	42,244	73,615	249,798
Taxable pensions and annuities:								
Number of returns.....	93,847	29,068	28,549	20,977	10,142	2,810	1,679	622
Amount.....	718,333	119,226	207,557	187,049	115,263	39,845	27,341	22,052
Unemployment compensation:								
Number of returns.....	26,616	10,348	9,220	5,671	1,187	149	43	4
Amount.....	33,116	12,754	11,752	6,837	1,484	196	83	10
Total itemized deductions:								
Number of returns.....	178,873	13,464	33,765	64,471	43,424	11,931	8,429	3,389
Amount.....	2,084,815	117,811	290,863	568,163	494,177	186,856	191,777	235,168
Taxable income:								
Number of returns.....	604,527	194,694	187,681	138,817	57,030	13,723	9,127	3,455
Amount.....	12,294,509	615,249	2,278,536	3,571,196	2,457,668	882,400	945,277	1,543,982
Total tax liability:								
Number of returns.....	618,500	208,539	187,883	138,727	57,040	13,724	9,129	3,458
Amount.....	2,513,174	117,043	385,710	617,379	491,397	206,556	254,030	441,059
Average (whole dollars).....	4,064	562	2,053	4,451	8,615	15,051	27,827	127,548
Earned income credit:								
Number of returns.....	67,543	45,031	22,512	--	--	--	--	--
Amount.....	37,827	31,973	5,854	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	40,932	37,162	3,770	--	--	--	--	--
Amount.....	23,742	22,857	885	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NEVADA</b>								
Number of returns.....	618,087	241,342	172,081	117,547	56,005	15,437	10,378	5,297
Number of exemptions.....	1,296,162	359,668	383,982	311,870	167,800	46,301	30,811	15,730
Adjusted gross income (less deficit).....	19,428,661	1,511,113	3,706,199	4,569,809	3,355,932	1,311,913	1,373,476	3,600,218
Salaries and wages:								
Number of returns.....	533,749	197,097	152,523	107,460	51,248	13,501	8,035	3,885
Amount.....	13,815,450	1,483,182	3,053,436	3,802,584	2,713,620	940,806	743,779	1,078,044
Interest income:								
Number of returns.....	320,784	79,772	83,815	80,403	47,358	14,287	9,952	5,197
Amount.....	1,339,846	149,143	182,661	191,135	154,086	85,283	132,040	445,498
Dividends:								
Number of returns.....	99,699	18,901	21,461	24,252	18,142	7,162	5,928	3,853
Amount.....	437,647	33,368	43,744	51,906	46,010	29,330	51,274	182,015
Net capital gain (less loss):								
Number of returns.....	67,432	11,742	13,238	15,146	11,916	5,609	5,798	3,983
Amount.....	1,162,451	38,299	21,030	42,755	66,631	62,068	147,982	783,685
Taxable pensions and annuities:								
Number of returns.....	89,808	22,371	26,442	21,374	12,558	3,751	2,420	892
Amount.....	972,257	126,101	253,847	257,781	175,189	64,465	52,736	42,138
Unemployment compensation:								
Number of returns.....	39,703	12,193	12,851	10,145	3,749	568	180	17
Amount.....	71,135	21,246	24,853	17,330	6,142	1,040	438	85
Total itemized deductions:								
Number of returns.....	171,463	14,069	35,262	55,340	40,364	12,710	8,891	4,827
Amount.....	2,283,462	146,590	307,331	559,274	509,110	208,274	209,904	342,979
Taxable income:								
Number of returns.....	514,990	142,029	168,838	117,180	55,904	15,412	10,351	5,276
Amount.....	13,558,805	544,334	2,139,528	3,102,411	2,441,297	999,334	1,098,297	3,233,604
Total tax liability:								
Number of returns.....	521,706	148,515	168,942	117,248	55,929	15,423	10,383	5,286
Amount.....	2,899,242	94,595	341,962	535,618	481,163	230,244	296,963	918,696
Average (whole dollars).....	5,558	637	2,025	4,569	8,604	14,929	28,657	173,798
Earned income credit:								
Number of returns.....	62,514	42,197	20,317	--	--	--	--	--
Amount.....	36,443	30,887	5,556	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	41,179	37,345	3,834	--	--	--	--	--
Amount.....	24,897	23,986	911	--	--	--	--	--
<b>NEW HAMPSHIRE</b>								
Number of returns.....	539,812	192,931	139,288	112,759	62,515	17,912	11,200	3,207
Number of exemptions.....	1,127,129	241,961	282,695	307,122	192,913	58,551	35,751	10,136
Adjusted gross income (less deficit).....	16,972,222	1,052,664	3,043,183	4,412,389	3,757,150	1,522,909	1,457,173	1,726,754
Salaries and wages:								
Number of returns.....	462,675	148,579	122,476	104,341	58,586	16,431	9,651	2,611
Amount.....	13,285,770	990,608	2,466,681	3,741,670	3,212,020	1,223,411	985,248	666,131
Interest income:								
Number of returns.....	390,002	105,090	95,401	97,661	59,894	17,634	11,123	3,199
Amount.....	1,122,438	178,452	201,519	213,049	167,924	82,891	111,187	167,416
Dividends:								
Number of returns.....	116,913	24,165	22,682	27,973	23,062	9,204	7,301	2,526
Amount.....	425,369	35,014	45,762	60,602	59,215	39,159	66,737	118,879
Net capital gain (less loss):								
Number of returns.....	57,528	10,328	9,848	12,660	11,350	5,532	5,492	2,318
Amount.....	708,740	38,731	15,216	29,052	40,208	37,812	78,134	469,588
Taxable pensions and annuities:								
Number of returns.....	77,892	21,008	21,594	18,178	10,896	3,346	2,200	670
Amount.....	687,261	97,435	170,935	169,327	120,184	50,834	44,917	33,629
Unemployment compensation:								
Number of returns.....	41,581	11,215	13,408	11,749	4,297	667	224	21
Amount.....	84,396	21,592	26,300	24,229	9,881	1,650	674	70
Total itemized deductions:								
Number of returns.....	178,674	13,202	29,203	57,558	48,904	16,177	10,528	3,102
Amount.....	2,480,186	156,992	277,891	626,774	666,461	288,459	261,228	202,382
Taxable income:								
Number of returns.....	462,536	119,511	136,076	112,250	62,428	17,895	11,175	3,201
Amount.....	11,492,725	409,310	1,791,522	2,913,731	2,635,588	1,113,681	1,123,835	1,505,058
Total tax liability:								
Number of returns.....	471,433	127,159	137,142	112,390	62,448	17,901	11,186	3,207
Amount.....	2,354,325	76,247	294,937	502,530	508,216	249,237	294,346	428,812
Average (whole dollars).....	4,994	600	2,151	4,472	8,139	13,924	26,314	133,712
Earned income credit:								
Number of returns.....	34,400	21,978	12,422	--	--	--	--	--
Amount.....	18,700	15,466	3,234	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	19,226	17,372	1,854	--	--	--	--	--
Amount.....	10,683	10,270	413	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NEW JERSEY</b>								
Number of returns.....	3,864,727	1,339,790	948,960	748,925	471,686	180,156	130,584	44,626
Number of exemptions.....	7,990,458	1,746,513	1,896,444	1,826,847	1,395,701	559,764	418,449	146,740
Adjusted gross income (less deficit).....	141,250,073	8,020,184	20,793,697	29,265,954	28,621,663	15,389,510	17,118,628	22,040,438
Salaries and wages:								
Number of returns.....	3,240,929	970,503	816,773	683,469	442,455	169,465	119,267	38,997
Amount.....	110,255,413	6,522,114	16,626,092	24,454,698	24,432,173	12,961,961	12,953,768	12,304,606
Interest income:								
Number of returns.....	2,711,881	699,513	612,811	619,620	436,199	172,782	126,894	44,062
Amount.....	9,256,342	1,303,232	1,520,743	1,618,216	1,333,904	691,504	922,952	1,865,792
Dividends:								
Number of returns.....	998,873	202,854	169,434	212,714	194,601	96,321	86,622	36,327
Amount.....	3,526,853	303,243	388,690	510,688	502,942	312,768	498,725	1,009,796
Net capital gain (less loss):								
Number of returns.....	428,762	69,619	62,748	83,206	80,884	46,936	54,972	30,397
Amount.....	3,562,104	101,520	37,410	103,909	181,906	186,345	491,119	2,459,895
Taxable pensions and annuities:								
Number of returns.....	597,418	162,032	159,807	126,655	85,926	32,572	23,273	7,153
Amount.....	5,238,072	766,172	1,287,384	1,220,840	911,478	398,443	376,149	277,606
Unemployment compensation:								
Number of returns.....	304,169	87,334	89,287	72,003	40,214	10,062	4,651	618
Amount.....	850,194	216,143	270,207	206,174	112,802	28,600	14,198	2,071
Total itemized deductions:								
Number of returns.....	1,414,017	88,054	211,387	389,635	383,736	169,135	127,653	44,417
Amount.....	22,647,969	932,646	2,112,798	4,342,752	5,464,807	3,148,160	3,507,470	3,139,337
Taxable income:								
Number of returns.....	3,320,251	824,685	925,198	744,752	470,748	179,934	130,393	44,541
Amount.....	97,430,174	2,748,950	12,384,475	19,812,619	19,992,415	11,082,275	12,781,744	18,627,696
Total tax liability:								
Number of returns.....	3,350,195	849,234	928,840	745,981	471,064	180,023	130,473	44,580
Amount.....	21,099,584	485,063	1,989,559	3,536,092	3,925,103	2,470,371	3,313,019	5,380,376
Average (whole dollars).....	6,299	572	2,142	4,741	8,333	13,723	25,393	120,691
Earned income credit:								
Number of returns.....	304,558	207,039	97,519	--	--	--	--	--
Amount.....	173,854	147,880	25,974	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	195,156	177,388	17,768	--	--	--	--	--
Amount.....	114,273	110,114	4,160	--	--	--	--	--

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NEW MEXICO</b>								
Number of returns.....	660,692	320,548	164,244	105,285	46,778	13,079	8,451	2,307
Number of exemptions.....	1,534,400	571,841	425,166	315,508	148,017	40,532	26,137	7,199
Adjusted gross income (less deficit).....	15,454,470	1,868,772	3,535,916	4,068,377	2,797,435	1,112,831	1,098,066	973,072
Salaries and wages:								
Number of returns.....	557,587	260,056	141,745	93,967	41,786	11,417	6,883	1,733
Amount.....	11,797,825	1,732,946	2,827,494	3,290,928	2,185,290	792,495	629,619	339,053
Interest income:								
Number of returns.....	347,168	109,071	92,063	80,327	42,526	12,603	8,290	2,288
Amount.....	978,761	169,827	196,304	192,337	147,018	75,369	93,750	104,156
Dividends:								
Number of returns.....	106,814	23,692	22,911	26,224	19,118	7,370	5,683	1,816
Amount.....	333,173	36,216	45,167	56,145	49,364	29,567	43,281	73,432
Net capital gain (less loss):								
Number of returns.....	68,332	14,476	14,144	15,613	12,001	5,327	4,971	1,800
Amount.....	389,414	23,263	19,281	34,491	44,954	34,173	73,204	160,048
Taxable pensions and annuities:								
Number of returns.....	97,688	29,459	28,911	21,933	11,477	3,338	2,132	438
Amount.....	1,079,671	166,776	294,794	289,817	190,871	69,604	51,784	16,024
Unemployment compensation:								
Number of returns.....	32,130	16,020	10,106	4,667	1,096	153	81	7
Amount.....	56,341	27,259	18,702	7,850	1,997	331	183	19
Total itemized deductions:								
Number of returns.....	150,799	12,528	31,033	49,890	35,405	11,682	8,004	2,257
Amount.....	1,814,193	112,443	263,523	472,245	432,059	191,203	191,241	151,480
Taxable income:								
Number of returns.....	486,941	151,088	160,251	105,085	46,722	13,053	8,438	2,304
Amount.....	9,562,828	498,335	1,854,434	2,694,583	2,016,004	836,159	855,058	808,274
Total tax liability:								
Number of returns.....	501,856	165,824	160,400	105,084	46,736	13,062	8,446	2,304
Amount.....	1,892,788	93,827	299,385	454,955	393,972	191,008	226,550	233,090
Average (whole dollars).....	3,772	566	1,867	4,330	8,430	14,624	26,824	101,168
Earned income credit:								
Number of returns.....	118,089	89,696	28,393	--	--	--	--	--
Amount.....	71,402	63,701	7,702	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	86,366	80,081	6,285	--	--	--	--	--
Amount.....	53,250	51,694	1,556	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NEW YORK</b>								
Number of returns.....	8,211,711	3,075,930	2,135,554	1,546,497	844,053	298,186	221,340	90,151
Number of exemptions.....	16,996,114	4,346,894	4,494,908	3,844,670	2,466,154	901,038	666,969	275,481
Adjusted gross income (less deficit).....	282,468,429	17,778,944	46,695,198	60,179,583	50,960,227	25,468,589	29,167,921	52,217,966
Salaries and wages:								
Number of returns.....	6,845,414	2,234,354	1,854,058	1,419,159	789,037	277,219	197,074	74,513
Amount.....	211,201,062	15,304,558	37,730,798	50,501,722	42,838,637	20,703,285	20,547,054	23,575,008
Interest income:								
Number of returns.....	5,668,001	1,566,563	1,398,882	1,308,801	797,641	290,002	216,760	89,352
Amount.....	21,667,189	3,125,495	3,378,751	3,405,229	2,722,833	1,406,844	2,012,184	5,615,853
Dividends:								
Number of returns.....	1,832,640	392,627	340,398	404,993	329,260	150,645	141,370	73,347
Amount.....	8,075,823	612,268	720,228	905,336	875,807	558,819	1,011,053	3,392,312
Net capital gain (less loss):								
Number of returns.....	894,059	156,992	148,032	181,965	159,656	85,044	98,632	63,738
Amount.....	9,687,099	451,959	123,867	262,905	390,033	363,374	956,293	7,138,668
Taxable pensions and annuities:								
Number of returns.....	1,232,450	375,933	343,825	250,304	151,649	54,636	41,016	15,087
Amount.....	11,086,562	1,839,546	2,878,707	2,524,366	1,764,799	763,432	740,769	574,943
Unemployment compensation:								
Number of returns.....	587,671	196,904	178,985	130,029	59,844	13,986	6,770	1,153
Amount.....	1,441,479	422,643	481,269	327,085	149,640	37,235	19,902	3,705
Total itemized deductions:								
Number of returns.....	2,897,068	169,655	481,338	902,927	744,462	289,935	218,884	89,867
Amount.....	48,393,241	1,969,300	4,357,660	9,415,627	10,303,599	5,543,075	6,508,768	10,295,213
Taxable income:								
Number of returns.....	6,898,191	1,821,698	2,087,598	1,538,469	842,157	297,628	220,767	89,874
Amount.....	190,043,253	6,097,339	27,145,024	40,400,521	35,316,172	18,126,434	21,383,294	41,574,469
Total tax liability:								
Number of returns.....	6,992,062	1,911,083	2,089,065	1,540,310	842,695	297,827	221,034	90,048
Amount.....	41,214,554	1,111,083	4,323,783	7,104,509	6,933,206	4,071,245	5,595,965	12,074,763
Average (whole dollars).....	5,895	582	2,070	4,613	8,228	13,670	25,318	134,093
Earned income credit:								
Number of returns.....	800,752	548,219	252,533	--	--	--	--	--
Amount.....	460,277	394,603	65,673	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	511,265	466,496	44,769	--	--	--	--	--
Amount.....	303,050	292,664	10,386	--	--	--	--	--
<b>NORTH CAROLINA</b>								
Number of returns.....	3,041,823	1,334,816	800,974	536,570	244,328	66,545	43,946	14,644
Number of exemptions.....	6,472,983	2,012,941	1,823,537	1,496,684	746,181	207,098	139,120	47,422
Adjusted gross income (less deficit).....	79,877,704	9,102,826	17,161,012	20,797,967	14,622,551	5,659,566	5,780,667	6,753,114
Salaries and wages:								
Number of returns.....	2,682,719	1,126,475	721,273	497,976	226,831	60,250	37,638	12,276
Amount.....	62,711,058	8,068,803	14,286,999	17,539,579	12,063,964	4,312,104	3,665,152	2,774,458
Interest income:								
Number of returns.....	1,635,794	448,546	429,065	411,924	224,030	64,399	43,254	14,576
Amount.....	4,301,910	706,065	807,568	800,917	625,122	306,265	419,164	636,808
Dividends:								
Number of returns.....	507,652	95,771	101,382	127,423	101,606	38,673	30,728	12,069
Amount.....	1,569,677	128,908	175,168	239,298	239,527	150,588	242,006	394,182
Net capital gain (less loss):								
Number of returns.....	262,596	45,173	49,150	60,081	50,816	23,268	23,180	10,928
Amount.....	2,081,410	107,981	87,060	148,792	187,416	144,759	312,454	1,092,947
Taxable pensions and annuities:								
Number of returns.....	423,162	112,007	124,687	103,805	55,526	14,752	9,495	2,890
Amount.....	3,622,476	518,834	988,107	988,034	649,921	222,982	173,430	81,167
Unemployment compensation:								
Number of returns.....	250,976	95,158	87,861	55,979	10,434	1,119	377	48
Amount.....	276,501	95,642	97,249	65,062	15,224	2,346	858	121
Total itemized deductions:								
Number of returns.....	845,719	55,517	163,523	293,030	211,594	64,211	43,286	14,558
Amount.....	10,541,390	563,368	1,312,111	2,736,366	2,628,996	1,114,903	1,125,063	1,060,583
Taxable income:								
Number of returns.....	2,483,666	768,788	790,214	535,623	244,085	66,465	43,873	14,618
Amount.....	50,505,051	2,670,364	9,523,017	13,848,354	10,344,226	4,128,064	4,386,856	5,604,170
Total tax liability:								
Number of returns.....	2,503,558	808,075	790,516	535,783	244,144	66,494	43,913	14,633
Amount.....	10,006,089	472,619	1,535,604	2,313,311	1,991,664	930,587	1,154,372	1,607,931
Average (whole dollars).....	3,997	585	1,943	4,318	8,158	13,996	26,288	109,884
Earned income credit:								
Number of returns.....	449,941	327,748	122,193	--	--	--	--	--
Amount.....	273,935	239,937	33,998	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	305,499	287,681	17,818	--	--	--	--	--
Amount.....	186,754	182,656	4,099	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NORTH DAKOTA</b>								
Number of returns.....	281,005	128,363	73,872	51,618	18,936	4,116	3,112	988
Number of exemptions.....	638,296	187,865	193,627	165,025	64,178	13,701	10,485	3,415
Adjusted gross income (less deficit).....	6,583,709	717,301	1,602,414	1,996,100	1,117,623	349,832	410,833	389,607
<b>Salaries and wages:</b>								
Number of returns.....	220,259	95,175	58,380	44,190	18,098	3,216	2,380	820
Amount.....	4,507,321	597,409	1,092,088	1,465,550	781,780	192,098	203,979	174,442
<b>Interest income:</b>								
Number of returns.....	198,826	73,951	53,928	44,927	17,968	4,010	3,060	982
Amount.....	575,771	116,849	151,645	129,813	77,946	31,946	36,820	30,751
<b>Dividends:</b>								
Number of returns.....	54,169	14,075	13,457	13,782	7,722	2,306	2,070	757
Amount.....	103,187	15,470	19,527	20,615	16,045	8,316	11,888	11,325
<b>Net capital gain (less loss):</b>								
Number of returns.....	42,805	12,161	11,480	9,817	5,119	1,794	1,735	699
Amount.....	197,331	27,535	34,123	38,041	24,039	13,458	21,282	38,853
<b>Taxable pensions and annuities:</b>								
Number of returns.....	30,844	9,467	10,017	6,988	3,060	641	496	175
Amount.....	222,545	40,114	71,989	59,401	30,869	8,932	7,860	3,381
<b>Unemployment compensation:</b>								
Number of returns.....	15,815	4,686	6,335	4,001	702	60	25	8
Amount.....	26,204	6,407	11,059	7,213	1,351	115	49	10
<b>Total itemized deductions:</b>								
Number of returns.....	54,380	5,527	10,989	19,433	11,946	2,958	2,585	942
Amount.....	632,803	45,347	165,162	164,827	125,116	40,475	51,311	40,564
<b>Taxable income:</b>								
Number of returns.....	228,319	77,097	72,525	51,563	18,926	4,113	3,108	987
Amount.....	4,222,550	238,151	860,099	1,338,919	829,385	276,918	336,796	342,281
<b>Total tax liability:</b>								
Number of returns.....	236,556	85,344	72,574	51,499	18,926	4,114	3,111	988
Amount.....	868,295	48,754	151,481	236,821	170,419	67,553	92,662	98,605
Average (whole dollars).....	3,663	572	2,088	4,599	9,005	16,421	29,786	99,803
<b>Earned income credit:</b>								
Number of returns.....	26,523	17,857	8,666	--	--	--	--	--
Amount.....	14,530	12,283	2,247	--	--	--	--	--
<b>Excess earned income credit:<sup>2</sup></b>								
Number of returns.....	15,164	13,746	1,418	--	--	--	--	--
Amount.....	8,435	8,106	329	--	--	--	--	--
<b>OHIO</b>								
Number of returns.....	5,086,743	2,068,626	1,375,556	1,025,826	418,453	101,449	69,639	27,194
Number of exemptions.....	10,573,237	2,852,716	2,954,007	2,801,333	1,322,110	325,140	227,975	89,956
Adjusted gross income (less deficit).....	138,957,551	13,487,981	29,949,423	39,825,470	24,864,277	8,628,416	9,175,749	13,026,234
<b>Salaries and wages:</b>								
Number of returns.....	4,318,400	1,604,608	1,195,253	953,100	390,281	91,518	60,212	23,428
Amount.....	108,135,783	10,350,723	24,057,952	34,118,309	20,910,327	6,574,813	5,985,472	6,138,187
<b>Interest income:</b>								
Number of returns.....	3,210,752	960,659	851,696	821,849	383,573	97,693	68,301	26,981
Amount.....	8,314,908	1,554,465	1,854,433	1,684,500	1,088,105	480,506	583,056	1,069,844
<b>Dividends:</b>								
Number of returns.....	1,066,865	230,321	234,314	285,289	181,281	61,392	50,830	23,438
Amount.....	3,158,953	294,132	403,707	497,237	442,817	259,960	410,062	851,037
<b>Net capital gain (less loss):</b>								
Number of returns.....	455,258	83,675	93,008	111,184	78,857	34,231	34,719	19,584
Amount.....	2,646,391	111,068	115,999	213,661	254,735	190,055	376,727	1,384,146
<b>Taxable pensions and annuities:</b>								
Number of returns.....	830,923	298,039	256,089	164,486	74,089	20,200	13,336	4,684
Amount.....	6,764,278	1,548,683	2,167,625	1,547,689	818,375	291,800	233,885	156,221
<b>Unemployment compensation:</b>								
Number of returns.....	344,023	95,454	111,045	104,168	29,335	3,059	851	111
Amount.....	649,917	172,116	235,201	187,562	47,260	5,391	2,051	336
<b>Total itemized deductions:</b>								
Number of returns.....	1,394,048	70,506	288,530	518,231	328,636	93,494	67,637	27,014
Amount.....	15,894,371	764,369	1,882,983	4,376,076	3,758,675	1,515,173	1,649,382	1,947,714
<b>Taxable income:</b>								
Number of returns.....	4,259,997	1,258,209	1,360,909	1,024,588	418,192	101,369	69,567	27,163
Amount.....	92,010,361	4,272,286	17,883,277	27,405,673	18,005,635	6,447,825	7,079,686	10,915,979
<b>Total tax liability:</b>								
Number of returns.....	4,302,275	1,298,776	1,362,376	1,024,694	418,250	101,396	69,600	27,183
Amount.....	18,372,731	742,095	2,891,386	4,740,349	3,515,012	1,475,589	1,881,549	3,126,749
Average (whole dollars).....	4,271	572	2,123	4,627	8,405	14,553	27,034	115,026
<b>Earned income credit:</b>								
Number of returns.....	442,844	305,109	137,735	--	--	--	--	--
Amount.....	250,293	214,380	35,914	--	--	--	--	--
<b>Excess earned income credit:<sup>2</sup></b>								
Number of returns.....	282,639	264,106	18,533	--	--	--	--	--
Amount.....	165,658	161,435	4,223	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>OKLAHOMA</b>								
Number of returns.....	1,316,283	589,012	344,683	233,431	100,648	25,224	16,870	6,415
Number of exemptions.....	3,020,685	985,379	879,521	687,936	314,891	78,892	53,674	20,392
Adjusted gross income (less deficit).....	33,009,862	3,131,634	7,469,271	9,023,124	6,007,051	2,142,227	2,217,504	3,019,051
Salaries and wages:								
Number of returns.....	1,081,968	453,776	290,409	208,030	89,751	21,614	13,363	5,025
Amount.....	24,854,610	3,070,650	5,839,184	7,323,310	4,724,140	1,506,422	1,250,547	1,140,357
Interest income:								
Number of returns.....	712,155	213,708	187,806	174,140	89,845	23,940	16,375	6,341
Amount.....	2,324,368	411,360	471,367	441,424	324,899	150,914	199,570	324,895
Dividends:								
Number of returns.....	203,750	41,098	43,313	52,868	37,510	13,217	10,808	4,936
Amount.....	604,199	54,055	66,538	84,087	81,559	46,568	73,668	197,723
Net capital gain (less loss):								
Number of returns.....	127,697	28,626	27,313	28,960	20,878	8,676	8,673	4,571
Amount.....	681,390	46,447	38,960	52,761	62,385	41,713	82,301	356,823
Taxable pensions and annuities:								
Number of returns.....	204,113	59,028	62,520	47,425	24,015	6,251	3,718	1,156
Amount.....	2,026,313	335,108	608,820	539,140	325,249	102,108	75,374	40,514
Unemployment compensation:								
Number of returns.....	64,413	23,111	21,935	14,659	4,036	522	133	17
Amount.....	107,569	37,606	38,292	24,957	7,391	987	300	35
Total itemized deductions:								
Number of returns.....	352,765	28,503	73,342	123,484	81,741	23,195	16,154	6,346
Amount.....	4,017,480	252,086	608,556	1,091,166	933,916	356,219	368,763	406,774
Taxable income:								
Number of returns.....	1,019,853	299,367	338,417	233,052	100,564	25,203	16,843	6,407
Amount.....	21,274,844	974,800	3,978,203	6,021,764	4,357,711	1,623,456	1,744,598	2,574,312
Total tax liability:								
Number of returns.....	1,055,137	334,035	338,960	233,088	100,573	25,211	18,856	6,414
Amount.....	4,313,607	196,936	655,231	1,018,811	855,365	374,108	468,326	744,831
Average (whole dollars).....	4,089	590	1,934	4,371	8,505	14,840	27,784	116,126
Earned income credit:								
Number of returns.....	187,640	135,730	51,910	--	--	--	--	--
Amount.....	110,755	96,932	13,823	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	126,390	117,097	9,293	--	--	--	--	--
Amount.....	76,182	74,002	2,180	--	--	--	--	--
<b>OREGON</b>								
Number of returns.....	1,305,875	545,588	341,276	249,606	111,115	29,403	21,560	7,327
Number of exemptions.....	2,885,746	840,819	801,900	715,200	344,378	91,479	68,735	23,235
Adjusted gross income (less deficit).....	35,873,810	3,350,849	7,435,533	9,676,389	6,634,052	2,502,546	2,856,550	3,417,892
Salaries and wages:								
Number of returns.....	1,066,365	413,530	283,382	222,318	99,132	25,042	17,191	5,770
Amount.....	25,588,168	2,729,841	5,619,735	7,733,789	5,116,451	1,673,622	1,536,110	1,181,620
Interest income:								
Number of returns.....	838,007	255,642	216,922	204,650	103,785	28,535	21,189	7,284
Amount.....	2,511,147	475,587	533,375	485,608	343,324	161,059	216,024	296,170
Dividends:								
Number of returns.....	269,188	63,560	59,699	65,180	44,591	16,228	14,156	5,774
Amount.....	800,134	95,790	122,314	134,413	113,153	61,890	94,794	177,780
Net capital gain (less loss):								
Number of returns.....	194,405	42,104	42,854	45,466	32,179	13,198	12,949	5,655
Amount.....	1,509,545	85,962	83,024	146,363	180,141	135,351	271,030	607,673
Taxable pensions and annuities:								
Number of returns.....	206,849	70,843	63,522	41,716	20,143	5,864	3,810	1,151
Amount.....	1,901,870	355,548	581,811	488,778	281,796	92,095	68,038	33,804
Unemployment compensation:								
Number of returns.....	115,928	37,418	41,854	27,906	7,241	1,037	430	42
Amount.....	217,202	61,561	83,811	53,333	14,711	2,484	1,156	146
Total itemized deductions:								
Number of returns.....	457,298	44,504	96,115	160,017	99,896	28,387	21,109	7,270
Amount.....	5,577,356	360,000	810,541	1,527,839	1,286,222	506,910	557,184	528,660
Taxable income:								
Number of returns.....	1,059,901	307,248	334,332	249,086	111,007	29,371	21,537	7,320
Amount.....	22,864,733	1,021,273	4,103,659	6,298,862	4,614,132	1,813,882	2,166,893	2,846,032
Total tax liability:								
Number of returns.....	1,081,560	327,735	335,422	249,100	111,040	29,384	21,553	7,326
Amount.....	4,667,478	190,583	678,215	1,079,388	903,192	420,682	579,822	815,596
Average (whole dollars).....	4,316	582	2,022	4,334	8,134	14,317	26,903	111,329
Earned income credit:								
Number of returns.....	124,271	86,482	37,789	--	--	--	--	--
Amount.....	71,963	62,143	9,820	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	80,331	73,686	6,645	--	--	--	--	--
Amount.....	48,437	46,852	1,585	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>PENNSYLVANIA</b>								
Number of returns.....	5,531,879	2,238,756	1,441,210	1,084,381	500,747	135,792	95,042	35,951
Number of exemptions.....	11,680,573	3,156,392	3,140,182	2,990,003	1,542,434	427,514	306,496	117,552
Adjusted gross income (less deficit).....	159,134,366	13,910,458	31,348,885	42,109,027	29,937,446	11,554,159	12,543,478	17,730,913
Salaries and wages:								
Number of returns.....	4,556,175	1,633,837	1,228,529	995,748	464,280	122,506	81,323	29,952
Amount.....	120,278,078	10,462,214	24,436,658	35,393,770	25,002,758	8,911,569	8,132,707	7,938,399
Interest income:								
Number of returns.....	3,797,907	1,181,235	969,663	915,461	470,717	131,661	93,341	35,729
Amount.....	10,425,997	2,029,482	2,208,580	1,969,745	1,336,775	604,589	795,643	1,481,183
Dividends:								
Number of returns.....	1,271,027	305,122	267,142	303,691	215,931	80,578	68,206	30,357
Amount.....	4,354,663	431,524	555,589	660,652	579,797	345,906	549,683	1,231,512
Net capital gain (less loss):								
Number of returns.....	519,557	103,772	99,434	114,783	88,964	41,531	45,645	25,428
Amount.....	3,670,448	145,405	123,153	233,552	300,938	238,840	535,101	2,093,459
Taxable pensions and annuities:								
Number of returns.....	996,003	377,707	285,260	187,362	92,613	27,313	19,080	6,668
Amount.....	7,999,521	1,864,587	2,382,366	1,738,344	1,016,002	384,884	349,058	264,281
Unemployment compensation:								
Number of returns.....	490,376	148,639	168,199	128,561	37,426	5,250	2,017	284
Amount.....	1,111,186	287,444	413,243	296,692	90,857	15,236	6,462	1,252
Total itemized deductions:								
Number of returns.....	1,420,100	76,547	233,143	488,188	375,289	121,414	90,108	35,411
Amount.....	17,507,458	771,268	1,872,248	4,465,414	4,385,204	1,954,726	2,050,293	2,008,306
Taxable income:								
Number of returns.....	4,626,485	1,354,635	1,422,672	1,082,338	500,332	135,658	94,936	35,914
Amount.....	107,713,557	4,525,700	18,435,840	28,810,733	21,836,204	8,713,359	9,876,493	15,515,229
Total tax liability:								
Number of returns.....	4,678,448	1,403,814	1,425,021	1,082,594	500,413	135,688	94,984	35,934
Amount.....	22,074,888	796,439	2,984,631	4,934,454	4,286,836	1,993,242	2,634,097	4,445,189
Average (whole dollars).....	4,719	568	2,095	4,558	8,567	14,690	27,733	123,705
Earned income credit:								
Number of returns.....	449,544	301,417	148,127	--	--	--	--	--
Amount.....	251,284	212,556	38,728	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	273,904	253,736	20,168	--	--	--	--	--
Amount.....	158,845	154,226	4,619	--	--	--	--	--
<b>RHODE ISLAND</b>								
Number of returns.....	468,677	181,452	124,785	92,884	45,681	12,528	8,266	3,081
Number of exemptions.....	950,891	237,225	253,417	247,405	137,864	39,015	26,119	9,846
Adjusted gross income (less deficit).....	13,833,487	1,180,100	2,704,525	3,616,619	2,736,849	1,063,819	1,088,005	1,443,571
Salaries and wages:								
Number of returns.....	398,248	140,096	108,834	85,579	42,664	11,426	7,025	2,624
Amount.....	10,478,979	951,314	2,148,153	3,008,769	2,266,420	818,371	666,953	619,000
Interest income:								
Number of returns.....	323,466	92,846	84,571	79,376	43,261	12,200	8,146	3,066
Amount.....	977,931	166,534	200,865	198,429	138,837	63,068	83,590	126,607
Dividends:								
Number of returns.....	101,149	22,529	21,618	24,712	17,750	6,579	5,495	2,486
Amount.....	312,917	26,090	34,898	46,593	44,015	26,698	46,382	88,240
Net capital gain (less loss):								
Number of returns.....	41,573	7,296	7,436	9,227	7,769	3,653	3,989	2,203
Amount.....	367,671	25,336	8,503	19,870	30,189	27,432	60,681	195,661
Taxable pensions and annuities:								
Number of returns.....	72,915	21,701	21,641	16,137	8,774	2,499	1,623	540
Amount.....	631,534	98,700	174,302	162,173	108,525	40,634	30,633	16,566
Unemployment compensation:								
Number of returns.....	57,254	17,715	18,209	15,127	5,034	772	350	47
Amount.....	154,345	42,864	52,779	41,454	13,730	2,242	1,098	179
Total itemized deductions:								
Number of returns.....	141,923	8,748	23,576	48,580	37,881	11,952	8,116	3,070
Amount.....	1,998,772	129,286	215,013	505,894	495,731	209,534	218,550	224,764
Taxable income:								
Number of returns.....	399,918	115,360	122,530	92,583	45,623	12,506	8,246	3,070
Amount.....	9,155,134	409,853	1,606,872	2,412,832	1,928,914	775,664	819,639	1,201,362
Total tax liability:								
Number of returns.....	404,842	119,699	123,008	92,650	45,638	12,516	8,253	3,078
Amount.....	1,850,874	71,603	258,897	413,786	372,241	174,226	216,905	343,215
Average (whole dollars).....	4,572	599	2,105	4,467	8,157	13,921	26,282	111,506
Earned income credit:								
Number of returns.....	36,839	25,156	11,683	--	--	--	--	--
Amount.....	20,727	17,648	3,079	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	23,148	21,501	1,647	--	--	--	--	--
Amount.....	13,199	12,832	367	--	--	--	--	--

See notes following Table 20.



# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>SOUTH CAROLINA</b>								
Number of returns.....	1,551,463	704,406	408,031	264,149	119,266	30,606	18,574	6,431
Number of exemptions.....	3,356,418	1,086,054	954,883	762,278	374,816	97,488	59,847	21,052
Adjusted gross income (less deficit).....	38,644,023	4,705,319	8,722,924	10,252,689	7,126,326	2,600,191	2,437,479	2,799,095
Salaries and wages:								
Number of returns.....	1,377,700	605,469	368,392	244,875	110,623	27,550	15,571	5,220
Amount.....	30,703,084	4,239,314	7,354,116	8,677,203	5,869,086	1,954,737	1,457,700	1,150,929
Interest income:								
Number of returns.....	766,505	205,926	203,469	195,528	107,632	29,374	18,189	6,387
Amount.....	1,913,120	313,781	370,698	371,190	281,757	140,926	180,838	253,930
Dividends:								
Number of returns.....	222,367	41,113	44,571	56,953	45,554	16,765	12,271	5,140
Amount.....	679,242	58,000	78,918	106,305	107,229	63,898	101,163	163,728
Net capital gain (less loss):								
Number of returns.....	119,859	20,118	22,364	28,011	23,801	10,574	9,928	4,865
Amount.....	928,742	53,213	36,692	66,830	89,897	72,242	150,155	459,714
Taxable pensions and annuities:								
Number of returns.....	213,255	54,831	62,277	53,076	29,783	7,725	4,340	1,223
Amount.....	2,044,950	272,023	546,964	567,532	389,298	131,766	97,946	39,421
Unemployment compensation:								
Number of returns.....	105,990	46,233	33,403	20,925	4,676	556	176	21
Amount.....	124,644	54,587	37,694	24,718	6,205	1,026	366	49
Total itemized deductions:								
Number of returns.....	414,977	25,098	84,932	147,235	103,667	29,407	18,231	6,387
Amount.....	5,003,767	233,588	665,810	1,389,704	1,285,577	508,850	477,869	442,369
Taxable income:								
Number of returns.....	1,218,935	378,837	401,872	263,591	119,124	30,567	18,528	6,416
Amount.....	23,922,843	1,302,351	4,778,439	6,761,082	5,017,905	1,895,678	1,845,568	2,321,820
Total tax liability:								
Number of returns.....	1,235,776	395,616	401,727	263,731	119,155	30,582	18,543	6,422
Amount.....	4,650,359	227,250	762,698	1,121,719	957,948	426,555	486,118	668,071
Average (whole dollars).....	3,764	575	1,899	4,254	8,040	13,948	26,216	104,029
Earned income credit:								
Number of returns.....	259,237	192,308	66,929	--	--	--	--	--
Amount.....	159,796	141,276	18,520	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	184,612	173,519	11,093	--	--	--	--	--
Amount.....	115,442	112,871	2,571	--	--	--	--	--
<b>SOUTH DAKOTA</b>								
Number of returns.....	311,932	148,282	83,034	54,400	17,688	4,039	3,203	1,286
Number of exemptions.....	705,752	223,119	219,736	175,276	59,176	13,373	10,792	4,280
Adjusted gross income (less deficit).....	7,145,541	826,803	1,796,809	2,086,338	1,044,894	344,787	425,497	620,414
Salaries and wages:								
Number of returns.....	249,133	112,775	67,965	47,099	14,899	3,057	2,327	1,011
Amount.....	4,781,983	709,695	1,282,420	1,542,222	694,564	169,594	177,777	205,710
Interest income:								
Number of returns.....	206,469	79,075	56,830	45,641	16,573	3,921	3,150	1,279
Amount.....	614,166	130,813	154,424	131,294	76,053	33,245	41,105	47,232
Dividends:								
Number of returns.....	61,328	17,252	15,745	15,204	7,792	2,286	2,060	989
Amount.....	141,343	20,498	24,379	24,537	18,588	8,969	13,508	30,865
Net capital gain (less loss):								
Number of returns.....	54,529	15,678	14,920	12,593	6,203	2,126	2,013	996
Amount.....	334,476	35,748	50,729	60,786	41,931	22,709	30,107	92,465
Taxable pensions and annuities:								
Number of returns.....	38,072	12,826	12,465	8,359	3,082	666	484	190
Amount.....	274,067	53,410	90,302	74,976	34,177	9,669	7,251	4,283
Unemployment compensation:								
Number of returns.....	9,083	3,441	3,497	1,828	276	26	15	--
Amount.....	12,344	4,507	4,799	2,512	459	42	25	--
Total itemized deductions:								
Number of returns.....	46,150	4,758	10,192	16,359	9,308	2,419	2,103	1,011
Amount.....	475,103	43,340	81,461	139,322	101,100	31,556	37,588	40,736
Taxable income:								
Number of returns.....	247,450	85,430	81,460	54,351	17,683	4,039	3,202	1,285
Amount.....	4,628,977	265,333	961,157	1,402,932	788,895	278,999	361,434	570,227
Total tax liability:								
Number of returns.....	256,086	94,046	81,537	54,295	17,681	4,039	3,202	1,286
Amount.....	970,513	53,266	167,214	247,586	166,090	70,135	102,267	163,955
Average (whole dollars).....	3,790	567	2,051	4,561	9,394	17,365	31,939	127,493
Earned income credit:								
Number of returns.....	34,116	23,487	10,629	--	--	--	--	--
Amount.....	19,238	16,460	2,778	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	20,885	18,989	1,896	--	--	--	--	--
Amount.....	11,882	11,444	438	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>TENNESSEE</b>								
Number of returns.....	2,170,008	977,235	567,183	377,704	163,685	42,715	29,857	11,629
Number of exemptions.....	4,724,196	1,544,220	1,340,665	1,067,103	504,896	133,843	95,918	37,551
Adjusted gross income (less deficit).....	55,567,466	5,932,040	12,230,673	14,608,960	9,777,060	3,631,009	3,936,700	5,451,024
Salaries and wages:								
Number of returns.....	1,885,972	802,278	507,535	351,032	152,058	38,352	25,104	9,613
Amount.....	44,261,490	5,482,653	10,214,335	12,554,289	8,202,764	2,754,778	2,457,885	2,614,585
Interest income:								
Number of returns.....	1,125,978	327,443	292,703	278,663	145,912	40,609	29,105	11,543
Amount.....	3,374,189	595,271	668,905	622,595	451,986	217,422	292,897	525,113
Dividends:								
Number of returns.....	297,484	59,564	59,119	73,857	55,794	21,277	18,757	9,116
Amount.....	892,000	76,121	93,438	117,146	115,983	72,455	134,004	282,854
Net capital gain (less loss):								
Number of returns.....	167,134	31,707	32,831	37,150	28,980	13,416	14,618	8,432
Amount.....	1,360,246	94,727	59,340	89,688	107,110	82,103	188,315	738,964
Taxable pensions and annuities:								
Number of returns.....	286,256	90,794	85,709	62,077	31,159	8,741	5,812	1,964
Amount.....	2,384,493	446,042	683,275	593,339	368,667	131,682	104,744	56,744
Unemployment compensation:								
Number of returns.....	196,722	83,331	65,726	38,041	8,070	1,060	425	69
Amount.....	241,420	97,737	81,720	47,393	11,613	1,915	904	139
Total itemized deductions:								
Number of returns.....	419,805	28,882	79,206	137,183	104,760	33,583	25,446	10,745
Amount.....	4,838,026	267,017	633,712	1,226,490	1,153,413	487,257	528,419	541,719
Taxable income:								
Number of returns.....	1,707,502	522,715	559,884	377,193	163,580	42,686	29,825	11,619
Amount.....	36,732,759	1,742,615	6,785,554	10,029,469	7,307,065	2,832,644	3,200,881	4,834,531
Total tax liability:								
Number of returns.....	1,747,113	561,907	560,182	377,267	163,601	42,693	29,839	11,624
Amount.....	7,464,328	323,495	1,098,091	1,687,859	1,444,409	657,075	866,306	1,387,092
Average (whole dollars).....	4,273	576	1,961	4,474	8,829	15,391	29,033	119,331
Earned income credit:								
Number of returns.....	331,387	243,105	88,282	--	--	--	--	--
Amount.....	198,495	174,458	24,037	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	226,649	213,477	13,172	--	--	--	--	--
Amount.....	137,563	134,519	3,045	--	--	--	--	--
<b>TEXAS</b>								
Number of returns.....	7,406,799	3,342,395	1,791,711	1,238,082	640,776	201,368	140,757	51,710
Number of exemptions.....	17,050,718	5,772,237	4,488,464	3,540,605	2,002,878	633,339	446,210	166,985
Adjusted gross income (less deficit).....	204,734,176	16,434,074	38,746,637	48,104,309	38,575,191	17,156,952	18,466,628	27,250,385
Salaries and wages:								
Number of returns.....	6,347,982	2,720,500	1,574,196	1,126,148	587,083	181,247	118,691	40,117
Amount.....	158,894,751	18,543,660	31,969,219	40,355,876	32,000,528	13,389,779	12,113,156	10,522,533
Interest income:								
Number of returns.....	3,754,900	1,042,593	886,505	889,308	559,568	189,562	136,247	51,117
Amount.....	13,806,068	2,096,490	2,107,513	2,235,771	1,860,521	997,119	1,439,963	3,068,690
Dividends:								
Number of returns.....	1,095,740	196,094	192,914	258,297	222,435	99,638	86,968	39,394
Amount.....	4,012,564	306,006	340,064	469,759	482,634	319,392	556,038	1,538,671
Net capital gain (less loss):								
Number of returns.....	691,676	122,874	118,447	148,261	129,484	65,182	69,728	37,700
Amount.....	6,552,483	764,820	132,094	232,452	310,559	260,050	692,363	4,160,146
Taxable pensions and annuities:								
Number of returns.....	930,604	236,606	257,083	221,582	135,226	43,228	28,161	8,718
Amount.....	9,125,019	1,266,075	2,282,178	2,327,827	1,679,697	660,670	556,638	351,934
Unemployment compensation:								
Number of returns.....	347,889	148,216	106,864	63,404	22,778	4,503	1,932	192
Amount.....	689,800	257,138	227,468	136,429	52,564	10,674	4,757	569
Total itemized deductions:								
Number of returns.....	1,528,651	104,461	241,173	448,770	408,726	158,301	120,001	47,219
Amount.....	20,466,318	1,679,081	2,078,927	4,243,475	4,679,897	2,366,581	2,596,056	2,822,302
Taxable income:								
Number of returns.....	5,639,724	1,620,150	1,750,589	1,235,555	640,157	201,147	140,511	51,615
Amount.....	140,520,134	5,292,350	21,127,189	33,037,428	28,725,427	13,321,510	14,910,571	24,105,660
Total tax liability:								
Number of returns.....	5,790,016	1,768,588	1,751,580	1,236,020	640,307	201,219	140,627	51,675
Amount.....	29,993,143	1,024,187	3,440,715	5,692,866	5,717,555	3,063,520	3,987,390	7,066,911
Average (whole dollars).....	5,181	580	1,965	4,606	8,930	15,225	28,355	136,757
Earned income credit:								
Number of returns.....	1,217,591	922,430	295,161	--	--	--	--	--
Amount.....	748,399	667,967	80,432	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	886,748	821,683	65,065	--	--	--	--	--
Amount.....	554,167	538,000	16,166	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>UTAH</b>								
Number of returns.....	682,128	288,416	168,035	140,959	59,400	13,059	9,080	3,179
Number of exemptions.....	1,727,937	402,015	472,774	520,664	231,330	50,748	37,274	13,132
Adjusted gross income (less deficit).....	18,258,669	1,581,307	3,685,444	5,472,001	3,528,531	1,107,048	1,200,172	1,684,165
Salaries and wages:								
Number of returns.....	587,801	234,195	144,906	130,925	55,461	11,806	7,841	2,667
Amount.....	14,290,326	1,496,126	2,936,346	4,675,633	2,942,232	827,353	756,757	655,879
Interest income:								
Number of returns.....	430,129	131,192	107,168	112,977	54,265	12,512	8,859	3,156
Amount.....	884,953	166,382	182,452	170,450	121,182	52,604	74,009	117,873
Dividends:								
Number of returns.....	112,349	24,457	24,345	29,853	19,782	6,259	5,301	2,352
Amount.....	309,324	31,367	39,275	46,658	41,990	21,756	36,135	92,142
Net capital gain (less loss):								
Number of returns.....	74,919	15,714	15,665	18,559	13,188	4,793	4,746	2,254
Amount.....	511,937	56,333	21,626	33,130	42,873	30,280	67,742	259,954
Taxable pensions and annuities:								
Number of returns.....	100,373	27,834	31,449	24,229	11,940	2,795	1,644	482
Amount.....	1,045,979	163,870	331,502	290,470	164,279	48,148	32,646	15,065
Unemployment compensation:								
Number of returns.....	32,792	10,155	11,763	8,510	2,065	214	76	9
Amount.....	55,058	15,367	21,274	14,288	3,494	380	169	87
Total itemized deductions:								
Number of returns.....	241,388	15,954	50,514	97,010	53,353	12,498	8,911	3,148
Amount.....	2,990,149	136,766	449,567	964,969	708,635	231,014	243,918	255,281
Taxable income:								
Number of returns.....	552,090	165,434	161,517	140,515	59,333	13,048	9,067	3,176
Amount.....	10,978,452	503,994	1,846,455	3,243,900	2,326,046	772,570	882,089	1,403,398
Total tax liability:								
Number of returns.....	561,647	173,120	163,296	140,583	59,348	13,050	9,072	3,178
Amount.....	2,208,890	91,142	301,365	537,612	434,360	172,086	229,414	442,911
Average (whole dollars).....	3,933	527	1,846	3,825	7,319	13,187	25,289	139,368
Earned income credit:								
Number of returns.....	69,968	46,855	23,113	--	--	--	--	--
Amount.....	39,584	33,596	5,987	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	45,165	39,922	5,243	--	--	--	--	--
Amount.....	26,464	25,224	1,241	--	--	--	--	--
<b>VERMONT</b>								
Number of returns.....	266,699	110,339	71,120	51,021	22,996	6,049	4,068	1,106
Number of exemptions.....	555,624	148,921	154,480	144,543	72,017	19,307	12,854	3,502
Adjusted gross income (less deficit).....	7,117,175	675,171	1,542,550	1,978,099	1,372,981	513,940	532,241	502,193
Salaries and wages:								
Number of returns.....	224,368	84,394	62,296	46,871	21,227	5,343	3,385	852
Amount.....	5,328,220	558,067	1,219,632	1,626,015	1,107,109	363,719	299,233	154,444
Interest income:								
Number of returns.....	184,950	58,897	48,917	44,037	22,034	5,926	4,037	1,102
Amount.....	496,586	94,583	103,915	98,867	70,336	34,619	43,602	50,664
Dividends:								
Number of returns.....	61,296	15,256	13,049	14,762	10,395	3,906	3,007	921
Amount.....	232,477	24,182	29,704	37,826	34,777	22,183	36,738	47,068
Net capital gain (less loss):								
Number of returns.....	32,811	7,272	6,813	7,435	5,585	2,528	2,349	829
Amount.....	234,953	14,159	17,569	26,557	29,541	21,746	44,771	80,611
Taxable pensions and annuities:								
Number of returns.....	34,814	11,345	10,287	7,405	3,642	1,088	807	240
Amount.....	278,181	50,207	78,416	68,370	41,478	16,531	16,016	7,163
Unemployment compensation:								
Number of returns.....	23,729	9,360	8,166	4,983	1,005	148	60	7
Amount.....	44,994	17,651	15,740	9,091	1,978	350	171	13
Total itemized deductions:								
Number of returns.....	76,764	5,916	14,578	26,472	19,016	5,716	3,969	1,097
Amount.....	959,936	66,634	122,541	256,831	232,789	97,606	102,241	81,294
Taxable income:								
Number of returns.....	222,077	67,248	69,845	50,822	22,961	6,038	4,059	1,104
Amount.....	4,608,316	235,234	886,809	1,313,485	976,436	377,035	405,069	414,248
Total tax liability:								
Number of returns.....	227,926	72,696	70,180	50,867	22,972	6,041	4,064	1,106
Amount.....	916,530	44,660	147,407	224,379	189,770	85,855	106,459	118,000
Average (whole dollars).....	4,022	615	2,101	4,412	8,261	14,213	26,196	106,691
Earned income credit:								
Number of returns.....	21,798	14,426	7,372	--	--	--	--	--
Amount.....	11,844	9,939	1,906	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	12,137	11,145	992	--	--	--	--	--
Amount.....	6,677	6,455	222	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>VIRGINIA</b>								
Number of returns.....	2,884,801	1,078,382	728,310	558,491	315,180	114,155	75,490	18,593
Number of exemptions.....	8,045,248	1,450,432	1,549,847	1,457,613	938,851	352,226	235,858	60,321
Adjusted gross income (less deficit).....	90,930,750	6,471,183	15,842,897	21,760,051	19,059,909	9,749,349	9,700,976	8,346,386
Salaries and wages:								
Number of returns.....	2,512,716	877,468	645,212	511,580	290,317	105,381	67,443	15,315
Amount.....	71,862,378	6,178,381	13,218,393	18,355,602	15,835,741	7,854,225	6,825,282	3,594,753
Interest income:								
Number of returns.....	1,724,418	414,871	396,399	427,002	284,716	109,232	73,783	18,415
Amount.....	4,943,942	678,146	777,957	889,103	783,855	434,852	565,302	814,726
Dividends:								
Number of returns.....	608,267	101,443	100,417	145,407	132,436	63,148	50,360	15,056
Amount.....	1,937,299	131,851	172,190	265,526	306,011	207,954	327,553	526,214
Net capital gain (less loss):								
Number of returns.....	289,945	41,570	43,130	61,590	60,822	34,296	35,072	13,465
Amount.....	2,512,163	168,605	63,898	124,013	182,860	177,374	414,740	1,380,672
Taxable pensions and annuities:								
Number of returns.....	430,398	97,231	110,764	101,800	69,772	27,438	19,787	3,606
Amount.....	5,388,970	523,020	1,060,871	1,323,314	1,211,293	604,953	528,615	1,136,904
Unemployment compensation:								
Number of returns.....	157,374	53,700	54,900	36,243	9,870	1,788	816	57
Amount.....	177,239	55,354	61,984	41,038	13,915	3,233	1,577	139
Total itemized deductions:								
Number of returns.....	962,151	46,824	148,947	302,155	263,156	108,452	74,164	18,453
Amount.....	14,177,467	544,310	1,304,017	3,209,507	3,689,489	2,044,600	2,012,652	1,372,892
Taxable income:								
Number of returns.....	2,449,285	656,103	713,864	556,621	314,743	114,029	75,385	18,540
Amount.....	60,264,032	2,269,342	9,145,723	14,481,163	13,280,173	6,985,372	7,228,465	6,873,795
Total tax liability:								
Number of returns.....	2,474,707	679,597	715,166	557,019	314,854	114,068	75,436	18,567
Amount.....	12,257,383	393,344	1,462,483	2,475,809	2,563,686	1,545,462	1,858,984	1,957,617
Average (whole dollars).....	4,954	579	2,045	4,445	8,143	13,549	24,644	105,436
Earned income credit:								
Number of returns.....	275,937	192,685	83,252	--	--	--	--	--
Amount.....	163,394	141,155	22,239	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	181,365	168,196	13,169	--	--	--	--	--
Amount.....	110,963	107,917	3,046	--	--	--	--	--
<b>WASHINGTON</b>								
Number of returns.....	2,302,696	855,022	588,121	480,574	247,247	69,474	46,539	15,719
Number of exemptions.....	4,960,283	1,192,482	1,279,193	1,321,034	759,075	213,326	145,708	49,465
Adjusted gross income (less deficit).....	71,409,016	4,890,061	12,846,937	18,741,815	14,837,875	5,907,313	6,112,112	8,072,903
Salaries and wages:								
Number of returns.....	1,934,788	671,283	494,586	432,107	225,098	61,235	38,177	12,302
Amount.....	52,706,399	4,549,320	9,999,461	15,371,200	11,982,134	4,308,108	3,586,093	2,910,084
Interest income:								
Number of returns.....	1,513,592	397,727	369,983	388,756	228,522	67,281	45,714	15,609
Amount.....	4,512,616	654,904	842,889	866,480	683,517	334,317	445,331	685,177
Dividends:								
Number of returns.....	492,374	96,092	99,413	121,636	94,763	37,495	30,664	12,311
Amount.....	1,586,362	140,017	196,629	246,357	223,102	129,810	193,431	457,016
Net capital gain (less loss):								
Number of returns.....	325,753	54,713	63,615	77,067	62,330	28,295	27,409	12,324
Amount.....	3,510,464	187,688	106,166	231,572	334,233	278,180	558,076	1,814,549
Taxable pensions and annuities:								
Number of returns.....	356,536	95,998	105,180	81,718	47,920	14,122	9,048	2,550
Amount.....	3,671,564	533,821	1,026,834	964,483	648,764	232,752	178,756	86,153
Unemployment compensation:								
Number of returns.....	177,273	54,921	58,549	45,144	15,286	2,367	922	84
Amount.....	355,704	94,687	126,535	93,040	32,947	5,795	2,437	264
Total itemized deductions:								
Number of returns.....	653,636	43,357	108,828	218,370	173,115	55,979	39,817	14,170
Amount.....	7,849,787	474,289	911,094	2,040,861	2,015,172	848,305	853,882	706,184
Taxable income:								
Number of returns.....	1,954,189	517,899	578,116	479,567	247,027	69,413	46,474	15,693
Amount.....	49,896,381	1,814,962	7,528,131	12,832,404	10,932,674	4,570,434	4,945,978	7,271,797
Total tax liability:								
Number of returns.....	1,976,616	538,749	579,475	479,679	247,078	69,431	46,498	15,706
Amount.....	10,408,034	325,362	1,228,245	2,230,378	2,170,711	1,056,544	1,327,991	2,068,803
Average (whole dollars).....	5,266	604	2,120	4,650	8,786	15,218	28,561	131,721
Earned income credit:								
Number of returns.....	181,984	125,097	56,887	--	--	--	--	--
Amount.....	102,276	87,556	14,721	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	117,271	107,877	9,394	--	--	--	--	--
Amount.....	68,606	66,422	2,184	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>WEST VIRGINIA</b>								
Number of returns.....	697,090	316,641	175,981	130,471	54,283	10,478	6,756	2,480
Number of exemptions.....	1,595,214	529,319	445,637	384,698	172,074	32,967	22,002	8,517
Adjusted gross income (less deficit).....	17,083,423	2,092,080	3,810,189	5,077,318	3,211,151	887,987	889,054	1,115,645
<b>Salaries and wages:</b>								
Number of returns.....	578,957	240,957	149,833	121,058	50,553	9,231	5,362	1,963
Amount.....	13,101,442	1,551,777	2,963,441	4,345,926	2,704,990	642,983	472,415	419,909
<b>Interest income:</b>								
Number of returns.....	405,332	131,681	104,961	100,898	48,758	10,021	6,560	2,453
Amount.....	1,038,026	230,783	254,605	202,913	133,508	53,910	68,841	93,467
<b>Dividends:</b>								
Number of returns.....	121,122	26,889	25,933	33,090	22,143	6,173	4,824	2,070
Amount.....	343,556	35,118	48,060	60,766	53,434	29,276	49,637	67,266
<b>Net capital gain (less loss):</b>								
Number of returns.....	50,025	10,659	10,682	11,955	8,558	3,142	3,251	1,778
Amount.....	318,005	12,585	18,709	26,853	29,895	19,869	41,472	168,622
<b>Taxable pensions and annuities:</b>								
Number of returns.....	127,609	51,433	37,349	23,361	10,960	2,502	1,509	495
Amount.....	1,026,394	277,867	332,032	223,848	117,083	34,717	26,139	14,709
<b>Unemployment compensation:</b>								
Number of returns.....	60,796	21,315	21,594	14,458	3,136	210	79	4
Amount.....	105,113	31,593	41,145	25,967	5,758	430	207	14
<b>Total itemized deductions:</b>								
Number of returns.....	105,983	5,340	15,995	36,406	30,972	8,551	6,296	2,423
Amount.....	1,166,038	46,305	126,152	307,203	313,129	114,937	126,468	131,845
<b>Taxable income:</b>								
Number of returns.....	546,600	168,151	174,132	130,364	54,252	10,472	6,750	2,479
Amount.....	10,943,866	534,156	2,076,718	3,517,737	2,430,852	698,529	718,435	967,439
<b>Total tax liability:</b>								
Number of returns.....	560,039	181,475	174,244	130,356	54,258	10,474	6,752	2,480
Amount.....	2,130,541	98,295	335,429	582,600	475,037	162,708	196,308	280,164
Average (whole dollars).....	3,805	542	1,926	4,470	8,756	15,535	29,075	112,970
<b>Earned income credit:</b>								
Number of returns.....	92,549	66,469	26,080	--	--	--	--	--
Amount.....	53,895	46,943	6,952	--	--	--	--	--
<b>Excess earned income credit:<sup>3</sup></b>								
Number of returns.....	61,891	58,065	3,826	--	--	--	--	--
Amount.....	37,386	36,521	866	--	--	--	--	--
<b>WISCONSIN</b>								
Number of returns.....	2,258,467	922,241	560,668	470,082	213,671	48,601	31,610	11,594
Number of exemptions.....	4,835,390	1,224,032	1,241,837	1,379,307	689,017	157,967	105,001	38,229
Adjusted gross income (less deficit).....	63,048,274	5,835,350	12,235,679	18,341,014	12,706,544	4,122,184	4,160,733	5,646,570
<b>Salaries and wages:</b>								
Number of returns.....	1,919,349	713,600	483,923	438,410	201,236	44,295	27,715	10,170
Amount.....	48,558,444	4,516,696	9,544,555	15,559,343	10,677,714	3,118,059	2,713,751	2,428,325
<b>Interest income:</b>								
Number of returns.....	1,659,046	539,380	408,504	415,899	204,948	47,540	31,226	11,549
Amount.....	3,941,532	801,221	872,389	756,736	515,252	222,393	275,571	497,969
<b>Dividends:</b>								
Number of returns.....	519,096	125,895	111,318	131,165	89,990	28,593	22,430	9,705
Amount.....	1,398,830	155,425	200,302	225,340	200,750	114,927	169,973	332,113
<b>Net capital gain (less loss):</b>								
Number of returns.....	286,141	64,592	64,468	67,667	46,157	17,810	17,017	8,430
Amount.....	1,720,852	106,134	162,405	220,059	204,248	128,770	227,013	672,225
<b>Taxable pensions and annuities:</b>								
Number of returns.....	336,834	120,566	100,684	67,511	32,010	8,321	5,595	2,147
Amount.....	2,507,351	551,157	790,890	590,136	321,813	109,635	86,264	57,456
<b>Unemployment compensation:</b>								
Number of returns.....	213,196	52,756	72,851	65,885	19,371	1,840	438	55
Amount.....	351,131	82,694	129,862	105,092	29,430	3,030	912	111
<b>Total itemized deductions:</b>								
Number of returns.....	712,329	42,125	118,525	274,840	187,652	46,661	31,002	11,524
Amount.....	8,380,650	539,885	907,784	2,451,902	2,195,454	765,192	755,413	765,021
<b>Taxable income:</b>								
Number of returns.....	1,917,652	589,875	552,957	469,504	213,569	48,573	31,587	11,587
Amount.....	41,293,621	1,886,354	7,102,403	12,163,743	8,997,368	3,036,402	3,198,768	4,908,582
<b>Total tax liability:</b>								
Number of returns.....	1,942,009	613,282	553,986	469,360	213,605	48,583	31,600	11,593
Amount.....	8,178,912	331,116	1,157,465	2,047,934	1,719,263	685,358	838,495	1,399,280
Average (whole dollars).....	4,212	540	2,090	4,364	8,049	14,107	26,535	120,701
<b>Earned income credit:</b>								
Number of returns.....	162,259	109,479	52,780	--	--	--	--	--
Amount.....	91,088	77,350	13,738	--	--	--	--	--
<b>Excess earned income credit:<sup>3</sup></b>								
Number of returns.....	98,551	91,164	7,387	--	--	--	--	--
Amount.....	57,065	55,358	1,708	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>WYOMING</b>								
Number of returns.....	205,492	87,901	48,746	42,310	19,253	3,895	2,427	960
Number of exemptions.....	468,343	125,730	123,784	131,122	64,219	12,749	7,795	2,944
Adjusted gross income (less deficit).....	5,591,838	433,036	1,064,890	1,654,742	1,140,777	330,142	320,214	648,038
Salaries and wages:								
Number of returns.....	173,769	69,922	41,692	38,707	17,684	3,321	1,824	619
Amount.....	4,046,722	438,999	825,257	1,381,069	926,340	215,185	139,195	120,678
Interest income:								
Number of returns.....	130,410	41,806	30,559	33,499	17,451	3,745	2,393	957
Amount.....	406,011	62,964	70,607	69,712	50,917	22,832	34,221	94,758
Dividends:								
Number of returns.....	44,376	10,319	9,129	11,996	8,106	2,325	1,716	785
Amount.....	167,370	20,547	18,773	23,754	20,410	10,975	18,619	54,291
Net capital gain (less loss):								
Number of returns.....	27,641	6,481	5,948	6,733	4,478	1,676	1,535	790
Amount.....	273,976	16,167	11,690	17,477	20,440	15,206	28,321	164,674
Taxable pensions and annuities:								
Number of returns.....	28,712	8,266	8,255	6,939	3,715	856	488	193
Amount.....	260,229	42,744	73,379	69,160	42,645	12,972	9,462	9,868
Unemployment compensation:								
Number of returns.....	11,871	3,842	4,524	2,687	544	52	17	5
Amount.....	19,503	5,879	8,031	4,507	943	102	28	12
Total itemized deductions:								
Number of returns.....	43,188	3,413	7,646	15,658	11,412	2,628	1,678	753
Amount.....	452,103	28,591	59,370	130,772	112,461	33,484	31,600	55,824
Taxable income:								
Number of returns.....	165,350	48,726	47,852	42,259	19,243	3,892	2,420	958
Amount.....	3,836,745	149,512	580,848	1,126,991	858,589	264,986	270,024	585,795
Total tax liability:								
Number of returns.....	169,268	52,515	47,978	42,258	19,244	3,894	2,422	959
Amount.....	790,708	28,927	96,820	192,485	170,285	62,986	74,374	164,832
Average (whole dollars).....	4,672	551	2,019	4,556	8,849	16,176	30,708	171,880
Earned income credit:								
Number of returns.....	20,796	14,512	6,284	--	--	--	--	--
Amount.....	11,816	10,161	1,655	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	13,542	12,450	1,092	--	--	--	--	--
Amount.....	7,860	7,601	259	--	--	--	--	--
<b>OTHER AREAS<sup>4</sup></b>								
Number of returns.....	1,075,627	661,795	224,746	101,286	42,610	17,182	1,936	9,072
Number of exemptions.....	2,123,090	989,037	584,644	288,886	124,207	51,255	57,462	27,599
Adjusted gross income (less deficit).....	21,863,698	2,032,524	4,681,075	3,856,960	2,573,319	1,472,732	2,573,767	4,673,321
Salaries and wages:								
Number of returns.....	779,799	408,611	199,973	91,732	38,752	15,730	17,152	7,849
Amount.....	26,236,679	6,572,131	4,970,950	4,125,237	2,805,383	1,648,198	2,881,509	3,233,271
Interest income:								
Number of returns.....	537,469	248,530	132,316	77,831	37,326	15,539	17,435	8,492
Amount.....	1,800,016	511,923	288,827	241,273	176,482	100,078	153,678	327,754
Dividends:								
Number of returns.....	185,283	69,355	35,048	31,826	20,052	9,669	12,405	6,928
Amount.....	767,215	95,201	72,222	79,489	75,298	49,266	93,665	302,073
Net capital gain (less loss):								
Number of returns.....	114,796	52,624	17,838	14,474	10,282	5,712	8,210	5,656
Amount.....	1,268,792	96,429	50,483	55,824	61,176	48,728	130,624	825,529
Taxable pensions and annuities:								
Number of returns.....	68,442	26,882	17,296	11,630	6,660	2,548	2,390	1,036
Amount.....	873,396	192,366	221,309	179,831	120,963	51,598	58,266	51,063
Unemployment compensation:								
Number of returns.....	9,797	4,532	3,189	1,319	454	154	117	32
Amount.....	25,214	11,699	7,859	3,454	1,205	424	382	191
Total itemized deductions:								
Number of returns.....	192,664	75,556	33,030	29,194	20,991	11,373	14,867	7,653
Amount.....	2,237,448	306,255	296,018	298,973	373,190	240,787	325,309	396,915
Taxable income:								
Number of returns.....	701,755	295,290	218,225	100,645	42,480	17,142	18,911	9,062
Amount.....	15,748,037	1,272,531	2,418,051	2,639,524	1,944,402	1,153,775	2,109,815	4,209,938
Total tax liability:								
Number of returns.....	755,300	366,280	208,328	94,790	41,377	16,835	18,704	8,986
Amount.....	2,741,826	332,343	351,725	402,752	342,298	209,838	356,728	746,142
Average (whole dollars).....	3,631	908	1,689	4,249	8,273	12,465	19,073	83,034
Earned income credit:								
Number of returns.....	32,780	17,749	15,031	--	--	--	--	--
Amount.....	16,524	12,147	4,377	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	21,109	16,536	4,573	--	--	--	--	--
Amount.....	11,004	9,925	1,079	--	--	--	--	--

See notes following Table 20.

# Selected Historical and Other Data

**Table 3.—Number of Individual Returns, Income, Tax and Average Tax by Size of Income, Tax Years 1987-1990**

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

Size of adjusted gross income	Number of returns <sup>1</sup>		Adjusted gross income (AGI) <sup>1</sup>		Taxable income <sup>1</sup>		Total income tax <sup>2</sup>
	1987	1988	1987	1988	1987	1988	1987
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total</b> .....	<b>106,996,270</b>	<b>109,708,280</b>	<b>2,773,824,198</b>	<b>3,083,019,783</b>	<b>1,850,597,119</b>	<b>2,069,966,980</b>	<b>369,202,757</b>
Under \$1,000 .....	3,691,379	3,962,269	-38,160,729	-39,276,968	155,369	171,676	180,244
\$1,000 under \$3,000 .....	7,433,802	7,456,433	14,894,572	14,705,001	1,360,813	1,044,277	183,643
\$3,000 under \$5,000 .....	6,691,090	6,466,607	26,725,935	25,721,364	3,759,804	2,469,667	435,734
\$5,000 under \$7,000 .....	6,422,132	6,217,629	38,413,878	37,397,442	8,264,832	6,409,823	998,787
\$7,000 under \$9,000 .....	6,300,234	6,191,294	50,368,689	49,432,507	15,178,900	12,109,174	1,790,904
\$9,000 under \$11,000 .....	5,928,842	5,849,931	59,187,847	58,404,122	21,801,837	18,399,630	2,581,645
\$11,000 under \$13,000 .....	5,580,094	5,429,777	66,951,853	65,253,426	29,932,090	24,954,851	3,649,095
\$13,000 under \$15,000 .....	5,292,576	5,428,329	73,989,299	75,824,890	36,864,357	33,820,451	4,701,766
\$15,000 under \$17,000 .....	4,800,582	4,965,547	76,680,566	79,375,440	41,945,445	39,607,433	5,671,873
\$17,000 under \$19,000 .....	4,487,621	4,652,964	80,697,963	83,613,482	46,210,802	44,192,736	6,288,383
\$19,000 under \$22,000 .....	5,879,795	6,092,703	120,205,955	124,598,226	72,352,317	71,346,369	10,034,366
\$22,000 under \$25,000 .....	5,297,494	5,327,778	124,251,696	125,008,547	78,121,158	76,183,987	11,357,271
\$25,000 under \$30,000 .....	7,494,827	7,517,739	205,551,504	206,201,583	133,895,752	130,581,873	20,395,355
\$30,000 under \$40,000 .....	11,604,644	11,956,600	402,500,618	415,310,640	270,913,902	274,610,362	42,809,754
\$40,000 under \$50,000 .....	7,862,901	8,264,514	350,409,748	369,115,675	242,712,736	255,121,323	41,345,872
\$50,000 under \$75,000 .....	8,110,447	8,904,085	484,023,071	532,715,520	347,978,968	383,088,855	69,872,423
\$75,000 under \$100,000 .....	2,064,189	2,520,476	175,453,698	214,204,828	129,661,327	159,574,120	31,277,163
\$100,000 under \$200,000 .....	1,513,654	1,778,258	200,973,127	236,074,161	153,927,488	183,252,229	43,415,426
\$200,000 under \$500,000 .....	429,671	548,472	124,073,791	161,914,657	100,643,815	134,674,810	32,978,242
\$500,000 under \$1,000,000 .....	75,352	114,808	50,898,244	77,893,798	42,794,638	67,559,945	14,745,147
\$1,000,000 or more .....	34,944	62,065	85,732,872	169,631,441	72,120,769	150,793,390	24,489,662

Size of adjusted gross income	Total income tax <sup>2</sup>	Percentage of returns showing no total income tax <sup>2</sup>		Returns showing total income tax			
	--Continued			Average tax (whole dollars) <sup>2</sup>		Tax as percentage of AGI <sup>1,2</sup>	
	1988	1987	1988	1987	1988	1987	1988
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>Total</b> .....	<b>412,869,909</b>	<b>18.9</b>	<b>20.6</b>	<b>4,257</b>	<b>4,738</b>	<b>13.7</b>	<b>13.8</b>
Under \$1,000 .....	139,877	79.6	77.0	240	154	--	--
\$1,000 under \$3,000 .....	173,108	70.0	73.6	82	88	4.0	4.6
\$3,000 under \$5,000 .....	396,062	55.4	64.6	146	173	3.6	4.4
\$5,000 under \$7,000 .....	944,306	36.4	35.7	244	236	4.1	3.9
\$7,000 under \$9,000 .....	1,803,321	34.3	37.7	433	468	5.4	5.8
\$9,000 under \$11,000 .....	2,548,936	29.2	32.7	615	648	6.1	6.5
\$11,000 under \$13,000 .....	3,351,471	18.8	26.4	806	839	6.7	7.0
\$13,000 under \$15,000 .....	4,511,389	9.0	19.2	976	1,029	7.0	7.4
\$15,000 under \$17,000 .....	5,453,776	3.5	8.2	1,225	1,197	7.7	7.5
\$17,000 under \$19,000 .....	6,385,486	2.9	3.8	1,444	1,427	8.0	7.9
\$19,000 under \$22,000 .....	10,425,520	2.0	2.1	1,742	1,748	8.5	8.5
\$22,000 under \$25,000 .....	11,318,621	1.7	1.0	2,181	2,146	9.3	9.1
\$25,000 under \$30,000 .....	20,361,642	0.7	0.7	2,741	2,729	10.0	9.9
\$30,000 under \$40,000 .....	44,138,991	0.5	0.5	3,708	3,710	10.7	10.7
\$40,000 under \$50,000 .....	42,768,361	0.3	0.2	5,274	5,184	11.8	11.6
\$50,000 under \$75,000 .....	74,340,917	0.2	0.1	8,630	8,356	14.5	14.0
\$75,000 under \$100,000 .....	35,685,329	0.1	0.1	15,171	14,169	17.8	16.7
\$100,000 under \$200,000 .....	47,837,393	0.2	0.1	28,754	26,934	21.7	20.3
\$200,000 under \$500,000 .....	38,699,740	0.1	0.1	76,866	70,637	26.6	23.9
\$500,000 under \$1,000,000 .....	19,162,981	0.2	0.1	196,006	167,097	29.0	24.6
\$1,000,000 or more .....	42,422,678	0.3	0.1	702,777	684,546	28.7	25.0

See notes following Table 20.

# Selected Historical and Other Data

**Table 3.—Number of Individual Returns, Income, Tax and Average Tax by Size of Income, Tax Years 1987-1990—Continued**

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

Size of adjusted gross income	Number of returns <sup>1</sup>		Adjusted gross income (AGI) <sup>1</sup>		Taxable income <sup>1</sup>		Total income tax <sup>2</sup>
	1989	1990	1989	1990	1989	1990	1989
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>Total</b> .....	<b>112,135,673</b>	<b>113,717,138</b>	<b>3,256,358,156</b>	<b>3,405,427,348</b>	<b>2,173,345,881</b>	<b>2,263,661,230</b>	<b>432,939,998</b>
Under \$1,000 <sup>3,4</sup> .....	3,865,946	3,687,722	-40,657,731	-44,097,235	158,497	147,900	128,846
\$1,000 under \$3,000 .....	7,330,646	7,378,581	14,364,878	14,608,168	1,026,356	1,051,956	175,791
\$3,000 under \$5,000 .....	6,395,856	6,316,845	25,381,428	25,176,442	2,250,491	2,187,015	361,934
\$5,000 under \$7,000 .....	6,080,369	6,004,236	36,276,901	36,020,822	5,196,365	4,814,969	808,791
\$7,000 under \$9,000 .....	6,037,574	6,025,538	48,189,579	48,176,536	11,392,055	10,116,781	1,700,016
\$9,000 under \$11,000 .....	5,954,986	5,890,809	59,572,156	58,904,288	17,522,902	16,222,041	2,483,871
\$11,000 under \$13,000 .....	5,846,086	5,572,651	70,223,349	66,925,640	26,350,589	23,356,241	3,572,710
\$13,000 under \$15,000 .....	5,390,708	5,382,371	75,328,410	75,300,193	32,229,078	31,079,932	4,343,324
\$15,000 under \$17,000 .....	4,913,743	4,686,440	78,583,188	74,942,191	38,538,699	35,853,156	5,325,208
\$17,000 under \$19,000 .....	4,679,582	4,656,276	84,168,352	83,806,510	45,058,301	42,919,171	6,465,468
\$19,000 under \$22,000 .....	6,118,287	6,307,571	125,149,987	129,109,902	70,675,174	71,719,685	10,516,360
\$22,000 under \$25,000 .....	5,358,979	5,465,258	125,645,626	128,101,382	75,113,973	75,920,473	11,181,574
\$25,000 under \$30,000 .....	7,615,123	7,838,226	209,191,554	215,207,576	131,904,440	133,528,020	20,726,836
\$30,000 under \$40,000 .....	12,100,369	12,282,787	420,231,928	426,384,692	278,320,161	280,504,593	45,597,596
\$40,000 under \$50,000 .....	8,590,273	8,837,067	383,689,075	394,730,512	263,107,712	270,449,536	44,034,240
\$50,000 under \$75,000 .....	9,921,341	10,944,102	594,483,386	657,214,261	424,581,970	466,517,729	81,250,313
\$75,000 under \$100,000 .....	3,059,386	3,278,142	261,107,136	279,524,997	193,047,596	205,237,566	42,671,702
\$100,000 under \$200,000 .....	2,090,358	2,329,562	276,331,693	305,567,590	212,184,703	230,497,142	54,471,932
\$200,000 under \$500,000 .....	612,814	644,027	179,115,618	188,004,834	146,390,252	152,657,211	41,631,082
\$500,000 under \$1,000,000 .....	115,646	130,252	78,516,288	87,142,014	66,881,786	74,316,528	18,882,584
\$1,000,000 or more .....	57,603	60,677	151,465,353	154,676,032	131,414,782	134,563,588	36,609,819

Size of adjusted gross income	Total income tax <sup>2</sup>	Percentage of returns showing no total income tax <sup>2</sup>		Returns showing total income tax			
	--Continued			Average tax (whole dollars) <sup>2</sup>		Tax as percentage of AGI <sup>1,2</sup>	
		1990	1989	1990	1989	1990	1989
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>Total</b> .....	<b>447,126,703</b>	<b>20.5</b>	<b>21.0</b>	<b>4,855.0</b>	<b>4,976.0</b>	<b>13.7</b>	<b>13.6</b>
Under \$1,000 <sup>3,4</sup> .....	87,843	80.0	80.2	166.0	120.0	--	--
\$1,000 under \$3,000 .....	178,856	72.5	72.8	87.0	89.0	4.6	4.7
\$3,000 under \$5,000 .....	348,603	65.5	65.7	164.0	161.0	4.2	4.0
\$5,000 under \$7,000 .....	758,873	38.4	42.2	216.0	219.0	3.6	3.6
\$7,000 under \$9,000 .....	1,509,507	37.8	40.2	453.0	419.0	5.7	5.3
\$9,000 under \$11,000 .....	2,303,211	34.5	37.6	637.0	626.0	6.4	6.3
\$11,000 under \$13,000 .....	3,180,191	27.2	30.3	839.0	818.0	7.0	6.8
\$13,000 under \$15,000 .....	4,118,295	20.0	24.4	1,007.0	1,012.0	7.2	7.2
\$15,000 under \$17,000 .....	4,841,520	8.7	11.5	1,187.0	1,167.0	7.4	7.3
\$17,000 under \$19,000 .....	6,066,851	4.6	5.3	1,448.0	1,376.0	8.1	7.6
\$19,000 under \$22,000 .....	10,600,417	1.8	2.3	1,750.0	1,720.0	8.0	8.4
\$22,000 under \$25,000 .....	11,257,831	1.6	1.2	2,120.0	2,085.0	9.0	8.9
\$25,000 under \$30,000 .....	20,557,462	1.0	1.1	2,748.0	2,653.0	10.0	9.7
\$30,000 under \$40,000 .....	45,303,447	0.4	0.5	3,785.0	3,708.0	10.9	10.7
\$40,000 under \$50,000 .....	44,851,709	0.4	0.3	5,144.0	5,090.0	11.5	11.4
\$50,000 under \$75,000 .....	87,241,466	0.2	0.2	8,202.0	7,986.0	13.7	13.3
\$75,000 under \$100,000 .....	44,375,252	0.2	0.1	13,973.0	13,563.0	16.4	15.9
\$100,000 under \$200,000 .....	57,823,643	0.1	0.2	26,092.0	24,865.0	19.7	19.0
\$200,000 under \$500,000 .....	43,437,775	0.1	0.1	68,027.0	67,544.0	23.3	23.1
\$500,000 under \$1,000,000 .....	20,942,219	0.1	0.1	163,497.0	161,017.0	24.1	24.1
\$1,000,000 or more .....	37,341,734	0.2	0.2	636,582.0	616,495.0	24.2	24.2

See notes following Table 20.



## Selected Historical and Other Data

**Table 4.--Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA), for Specified Years, 1970-1990**

[All figures are estimates--money amounts are in billions of dollars]

Income and adjustment items	1970	1975	1980	1985	1988	1989r	1990p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>1. Personal income (per NIPA) .....</b>	<b>831.0</b>	<b>1,307.3</b>	<b>2,265.4</b>	<b>3,379.8</b>	<b>4,075.9</b>	<b>4,380.2</b>	<b>4,664.2</b>
<b>2. Portion of personal income not included in AGI .....</b>	<b>179.7</b>	<b>346.0</b>	<b>603.7</b>	<b>1,039.4</b>	<b>1,138.7</b>	<b>1,231.9</b>	<b>1,330.3</b>
Transfer payments (except taxable military pay and taxable Government pensions) .....	77.0	171.6	282.1	407.4	470.7	509.1	557.7
Other labor income (except fees) .....	31.9	65.0	138.0	188.5	226.3	247.6	266.5
Imputed income .....	25.2	32.0	47.6	66.2	87.3	74.2	86.1
Investment income received by nonprofit institutions or retained by fiduciaries .....	7.5	11.1	19.9	32.6	34.8	44.1	46.1
Investment income retained by life insurance carriers and noninsured pension funds <sup>1</sup> .....	12.5	23.5	58.7	122.1	160.4	181.1	183.5
Net differences in accounting treatment (NIPA vs. IRS) .....	10.0	17.8	15.3	89.9	80.3	97.3	98.3
Other excluded or tax exempt income .....	15.8	24.9	42.1	132.6	78.9	78.6	92.2
<b>3. Portion of AGI not included in personal income .....</b>	<b>47.1</b>	<b>85.9</b>	<b>157.0</b>	<b>303.1</b>	<b>503.9</b>	<b>527.3</b>	<b>533.0</b>
Personal contributions for social insurance .....	27.9	50.4	88.6	149.1	194.5	211.4	224.8
Net capital gain less loss from sales of property .....	7.8	13.9	27.1	60.9	149.9	142.1	103.8
Taxable private pensions .....	6.3	14.0	32.7	90.2	115.4	123.2	134.5
S Corporation income (taxed through shareholders) less loss .....	1.7	2.1	0.7	6.3	34.4	37.7	44.4
Other taxable income less loss .....	3.4	5.4	7.9	-3.4	9.8	12.9	25.4
<b>4. Total net adjustment for conceptual differences (line 2 minus line 3) .....</b>	<b>132.6</b>	<b>260.1</b>	<b>446.7</b>	<b>736.4</b>	<b>634.8</b>	<b>704.6</b>	<b>797.3</b>
<b>5. Estimated total AGI (per NIPA) (line 1 minus line 4) .....</b>	<b>698.4</b>	<b>1,047.1</b>	<b>1,818.7</b>	<b>2,643.5</b>	<b>3,441.2</b>	<b>3,675.7</b>	<b>3,866.9</b>
<b>6. Adjusted gross income (AGI) (SOI) .....</b>	<b>631.7</b>	<b>947.8</b>	<b>1,613.7</b>	<b>2,306.0</b>	<b>3,083.0</b>	<b>3,256.4</b>	<b>3,431.9p</b>
<b>7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6) <sup>2</sup> .....</b>	<b>66.7</b>	<b>99.4</b>	<b>205.0</b>	<b>337.5</b>	<b>358.1</b>	<b>419.4</b>	<b>435.0</b>

See notes following Table 20.

## Selected Historical and Other Data

**Table 5.—Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1947-1991**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) <sup>1</sup>	Total adjusted gross income (AGI) (per NIPA) <sup>1</sup>	Difference	
			Amount	Percentage of personal income
	(1)	(2)	(3)	(4)
1947.....	190.2	170.6	19.6	10.3
1948.....	209.2	184.6	24.6	11.8
1949.....	206.4	181.7	24.7	12.0
1950.....	228.1	201.4	26.7	11.7
1951.....	256.5	228.8	27.7	10.8
1952.....	273.8	241.8	32.0	11.7
1953.....	290.5	257.1	33.4	11.5
1954.....	293.0	256.4	36.6	12.5
1955.....	314.2	277.1	37.1	11.8
1956.....	337.2	297.9	39.3	11.7
1957.....	356.3	310.7	45.6	12.8
1958.....	367.1	316.0	51.1	13.9
1959.....	391.2	338.2	52.9	13.5
1960.....	409.2	350.9	58.3	14.3
1961.....	426.5	364.8	61.7	14.5
1962.....	453.4	386.7	66.7	14.7
1963.....	476.4	408.1	68.2	14.3
1964.....	510.7	441.5	69.2	13.5
1965.....	552.9	478.9	74.0	13.4
1966.....	601.7	520.3	81.4	13.5
1967.....	646.5	554.5	92.0	14.2
1968.....	709.9	607.9	102.0	14.4
1969.....	773.7	662.6	111.1	14.4
1970.....	831.0	698.4	132.6	16.0
1971.....	893.5	744.0	149.5	16.7
1972.....	980.5	824.3	156.2	15.9
1973.....	1,096.7	926.0	172.7	15.7
1974.....	1,205.7	1,004.1	201.5	16.7
1975.....	1,307.3	1,047.1	260.1	19.9
1976.....	1,446.3	1,166.8	279.5	19.3
1977.....	1,601.3	1,293.3	308.0	19.2
1978.....	1,807.9	1,465.6	342.3	18.9
1979.....	2,033.1	1,651.7	381.4	18.8
1980.....	2,265.4	1,818.7	446.7	19.7
1981.....	2,534.7	2,001.8	532.9	21.0
1982.....	2,690.9	2,077.5	613.4	22.8
1983.....	2,862.5	2,227.1	635.5	22.2
1984.....	3,154.6	2,454.7	699.9	22.2
1985.....	3,379.8	2,643.5	736.3	21.8
1986.....	3,590.4	2,880.6 <sup>2</sup>	709.9 <sup>2</sup>	19.8 <sup>2</sup>
1987.....	3,802.0	3,165.5 <sup>2</sup>	636.5 <sup>2</sup>	16.7 <sup>2</sup>
1988.....	4,075.9	3,441.2 <sup>2</sup>	634.8 <sup>2</sup>	15.6 <sup>2</sup>
1989.....	4,380.3	3,675.7 <sup>2</sup>	704.6 <sup>2</sup>	16.1 <sup>2</sup>
1990.....	4,664.2	3,866.9 <sup>2</sup>	797.3 <sup>2</sup>	17.1 <sup>2</sup>
p1991.....	4,828.3	n.a.	n.a.	n.a.

See notes following Table 20.

## Selected Historical and Other Data

**Table 6.--Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and Adjusted Gross Income Reported on Individual Income Tax Returns per SOI, Tax Years 1947-1990**

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) <sup>1</sup>	Reported on tax returns (per SOI)	Amount	Percentage of total
	(1)	(2)	(3)	(4)
1947.....	170.6	149.7	20.9	12.3
1948.....	184.6	163.6	21.0	11.4
1949.....	181.7	160.6	21.1	11.6
1950.....	201.4	179.1	22.3	11.1
1951.....	228.8	202.4	26.4	11.5
1952.....	241.8	215.3	26.5	11.0
1953.....	257.1	228.7	28.4	11.0
1954.....	256.4	229.2	27.2	10.6
1955.....	277.1	248.5	28.6	10.3
1956.....	279.9	267.8	30.1	10.1
1957.....	310.7	280.4	30.3	9.8
1958.....	316.0	281.2	34.8	11.0
1959.....	338.2	305.1	33.1	8.5
1960.....	350.9	315.5	35.4	8.7
1961.....	364.8	329.9	35.0	8.2
1962.....	386.7	348.7	38.0	8.4
1963.....	408.1	368.8	39.4	8.3
1964.....	441.5	396.7	44.8	8.8
1965.....	478.9	429.2	49.7	9.0
1966.....	520.3	468.5	51.9	8.6
1967.....	554.5	504.8	49.7	7.7
1968.....	607.9	554.4	53.5	7.5
1969.....	662.6	603.5	59.0	7.6
1970.....	698.4	631.7	66.7	8.0
1971.....	744.0	673.6	70.4	7.9
1972.....	824.3	746.0	78.3	8.0
1973.....	926.0	827.1	98.8	9.0
1974.....	1,004.1	905.5	98.6	8.2
1975.....	1,047.1	947.8	99.4	7.6
1976.....	1,166.8	1,053.9	112.9	7.8
1977.....	1,293.3	1,158.5	134.8	8.4
1978.....	1,465.6	1,302.4	163.1	9.0
1979.....	1,651.7	1,465.4	186.3	9.2
1980.....	1,818.7	1,613.7	205.0	9.1
1981.....	2,001.8	1,772.6	229.1	9.0
1982.....	2,007.5	1,852.1	225.4	8.4
1983.....	2,227.1	1,942.6	284.5	9.9
1984.....	2,454.7	2,139.9	314.8	10.0
1985.....	2,643.5	2,306.0	337.5	10.0
1986.....	2,880.6 <sup>2</sup>	2,481.7 <sup>2</sup>	398.9 <sup>2</sup>	11.1 <sup>2</sup>
1987.....	3,165.5 <sup>2</sup>	2,773.8 <sup>2</sup>	391.7 <sup>2</sup>	10.3 <sup>2</sup>
1988.....	3,441.2 <sup>2</sup>	3,083.0 <sup>2</sup>	358.1 <sup>2</sup>	8.8 <sup>2</sup>
1989.....	3,675.7 <sup>2</sup>	3,256.4 <sup>2</sup>	419.4 <sup>2</sup>	11.4 <sup>2</sup>
1990.....	3,866.9 <sup>2</sup>	3,405.4 <sup>2</sup>	461.5 <sup>2</sup>	11.9 <sup>2</sup>

See notes following Table 20.

# Selected Historical and Other Data

**Table 7.—Standard, Itemized and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944-1990**

[All figures are estimates based on samples—number of returns are in millions; money amounts are in billions of dollars]

Tax year	Total number of returns	Standard deduction		Itemized deductions		Total deductions	
		Number of returns <sup>1</sup>	Amount <sup>2</sup>	Number of returns <sup>1</sup>	Amount <sup>3</sup>	Amount <sup>3</sup>	Percentage of adjusted gross income (AGI) <sup>4</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1944.....	47.1	38.7	8.0	8.4	4.8	12.8	11.0
1945.....	49.9	41.5	8.1	8.5	5.5	13.6	11.3
1946.....	52.8	44.1	8.9	8.8	6.3	15.2	11.3
1947.....	55.1	44.7	9.8	10.4	7.8	17.6	11.8
1948.....	52.1	43.2	11.5	8.8	7.9	19.4	11.9
1949.....	51.8	42.1	11.1	9.7	8.8	19.9	12.4
1950.....	53.1	42.7	12.0	10.3	9.9	21.9	12.2
1951.....	55.4	43.9	13.3	11.6	11.9	25.2	12.5
1952.....	56.5	43.7	13.7	12.8	13.6	27.3	12.7
1953.....	57.8	43.4	14.2	14.4	15.6	29.8	13.0
1954.....	56.7	41.0	13.3	15.7	17.4	30.7	13.4
1955.....	58.3	41.4	13.6	16.9	20.0	33.6	13.5
1956.....	59.2	40.7	13.8	18.5	22.6	36.4	13.6
1957.....	59.8	39.7	13.8	20.2	25.7	39.5	14.1
1958.....	59.1	38.3	13.2	20.8	27.5	40.7	14.5
1959.....	60.3	37.8	13.4	22.5	32.0	45.4	14.9
1960.....	61.0	36.9	13.1	24.1	35.3	48.4	15.3
1961.....	61.5	36.2	12.9	25.3	38.4	51.3	15.6
1962.....	62.7	36.3	13.1	26.5	41.7	54.8	15.7
1963.....	63.9	35.8	13.1	28.2	46.1	59.2	16.1
1964.....	65.4	38.5	20.2	26.9	46.8	67.0	16.9
1965.....	67.6	39.7	20.6	27.9	50.7	71.4	16.6
1966.....	70.2	41.6	21.8	28.6	54.6	76.4	16.3
1967.....	71.7	41.9	22.1	29.8	59.6	81.7	16.2
1968.....	73.7	41.7	22.1	32.0	69.2	91.3	16.4
1969.....	75.8	40.9	21.6	34.9	80.2	101.8	16.8
1970.....	74.3	38.8	32.4	35.4	88.2	120.5	19.0
1971.....	74.6	43.9	48.1	30.7	91.9	139.9	20.7
1972.....	77.6	50.6	69.8	27.0	96.7	166.4	22.2
1973.....	80.7	52.6	73.6	28.0	107.0	180.6	21.8
1974.....	83.3	53.8	76.1	29.6	119.4	195.5	21.6
1975.....	82.2	56.1	100.9	26.1	122.3	233.2	23.5
1976.....	84.7	58.7	113.8	26.0	133.9	247.6	23.5
1977.....	86.6	63.7	137.7	22.9	138.5 <sup>5</sup>	276.2	23.8
1978.....	89.8	64.0	139.8	25.8	164.4 <sup>5</sup>	304.3	23.4
1979.....	92.7	66.2	148.8	26.5	184.2 <sup>5</sup>	333.0	22.7
1980.....	93.9	65.0	146.0	29.0	218.0 <sup>5</sup>	346.0	22.6
1981.....	95.4	63.8	144.7	31.6	256.4 <sup>5</sup>	401.2	22.6
1982.....	95.3	61.9	140.2	33.4	284.5 <sup>5</sup>	425.2	22.9
1983.....	96.3	61.1	138.5	35.2	309.6 <sup>5</sup>	448.7	23.1
1984.....	99.4	61.2	139.5	38.2	358.9 <sup>5</sup>	499.6	23.3
1985.....	101.7	61.8	145.0	39.8	405.0 <sup>5</sup>	554.7	23.9
1986.....	103.0	62.4	151.0	40.7	447.1 <sup>5</sup>	611.3	24.6
1987.....	107.0	71.4	215.2	35.6	392.0	607.2	21.9
1988.....	109.7	76.5	289.6	31.9	395.2	686.0	22.3
1989.....	112.1	79.3	309.4	32.0	431.0	740.4	22.7
1990.....	113.8	80.6	331.5	32.2	458.5	789.9	23.2

See notes following Table 20.

## Selected Historical and Other Data

**Table 8.--Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per SOI, Tax Years 1947-1991**

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) <sup>1</sup>	Taxable income (per SOI) <sup>2</sup>		Total income tax (per SOI) <sup>3</sup>		
		Amount	As a percentage of personal income	Total	As a percentage of....	
					Personal income <sup>1</sup>	Taxable income <sup>2</sup>
(1)	(2)	(3)	(4)	(5)	(6)	
1947.....	190.2	75.4	39.6	18.1	9.5	24.0
1948.....	209.2	74.8	35.8	15.4	7.4	20.6
1949.....	206.4	71.7	34.7	14.5	7.0	20.2
1950.....	228.1	84.3	37.0	18.4	8.1	21.8
1951.....	256.5	99.2	38.7	24.2	9.4	25.9
1952.....	273.8	107.2	39.2	27.8	10.2	25.9
1953.....	290.5	114.3	39.3	29.4	10.1	25.7
1954.....	293.0	115.3	39.4	26.7	9.1	23.2
1955.....	314.2	128.0	40.7	29.6	9.4	23.1
1956.....	337.2	141.5	42.0	32.7	9.7	23.1
1957.....	356.3	149.4	41.9	34.4	9.7	23.0
1958.....	367.1	149.3	40.7	34.3	9.3	23.0
1959.....	391.2	166.5	42.6	38.6	9.9	23.2
1960.....	409.2	171.6	41.9	39.5	9.7	23.0
1961.....	426.5	181.8	42.6	42.2	9.9	23.2
1962.....	453.4	195.3	43.1	44.9	9.9	23.0
1963.....	476.4	209.1	43.9	48.2	10.1	23.1
1964.....	510.7	229.9	45.0	47.2	9.2	20.5
1965.....	552.9	255.1	46.1	49.6	9.0	19.4
1966.....	601.7	286.3	47.6	56.1	9.3	19.6
1967.....	646.5	315.1	48.7	63.0	9.7	20.0
1968.....	709.9	352.8	49.7	76.7	10.8	21.7
1969.....	773.7	388.8	50.3	86.6	11.2	22.3
1970.....	831.0	401.2	48.3	83.9	10.1	20.9
1971.....	893.5	414.0	46.3	85.4	9.6	20.6
1972.....	990.5	447.6	45.7	93.6	9.6	20.9
1973.....	1,098.7	511.9	46.6	108.1	9.8	21.1
1974.....	1,205.7	573.6	47.6	123.6	10.3	21.5
1975.....	1,307.3	595.5	45.6	124.5	9.5	20.9
1976.....	1,446.3	674.9	46.7	141.8	9.8	21.0
1977.....	1,601.3	733.8	45.8	159.8	10.0	21.8
1978.....	1,807.9	846.4	46.8	188.2	10.4	22.2
1979.....	2,033.1	926.6	45.6	214.5	10.6	23.2
1980.....	2,265.4	1,045.2	46.1	250.3	11.1	24.0
1981.....	2,534.7	1,170.1	46.2	284.1	11.2	24.3
1982.....	2,690.9	1,231.9	45.8	277.6	10.3	22.6
1983.....	2,862.5	1,300.2	45.4	274.2	9.6	21.1
1984.....	3,154.6	1,447.0	45.9	301.9	9.6	20.9
1985.....	3,379.8	1,550.5	45.9	325.7	9.6	21.0
1986.....	3,590.4	1,665.6	46.4	367.3	10.2	22.1
1987.....	3,802.0	1,850.6	48.7	369.2	9.7	20.0
1988.....	4,075.9	2,070.0	50.8	412.9	10.1	20.0
1989.....	4,380.3	2,173.3	49.6	432.9	9.9	19.0
1990.....	4,664.2	2,263.7	48.5	447.1	9.6	19.8
1991.....	4,828.3	n.a.	n.a.	n.a.	n.a.	n.a.

See notes following Table 20.

## Selected Historical and Other Data

**Table 9.—Number of Individual Income Tax Returns by Type of Tax Settlement, Tax Years 1944-1990**

[All figures are estimates based on samples—number of returns are in millions]

Tax year	Total number of returns	Returns with—		
		Tax due at time of filing	Overpayments	No overpayments or tax due at time of filing
	(1)	(2)	(3)	(4)
1944.....	47.1	22.6	22.9	1.6
1945.....	49.9	14.5	33.5	1.9
1946.....	52.8	13.6	34.4	4.8
1947.....	55.1	15.3	33.0	6.7
1948.....	52.1	8.1	38.4	5.6
1949.....	51.8	13.8	30.2	7.9
1950.....	53.1	14.3	32.0	6.8
1951.....	55.4	18.6	31.0	5.8
1952.....	56.5	19.3	32.1	5.1
1953.....	57.8	19.0	32.7	6.2
1954.....	56.7	16.6	35.2	5.0
1955.....	58.3	18.7	35.4	4.2
1956.....	59.2	19.4	36.1	3.7
1957.....	59.8	18.6	37.6	3.6
1958.....	59.1	18.1	37.4	3.6
1959.....	60.3	19.1	38.4	2.8
1960.....	61.0	18.1	39.4	3.5
1961.....	61.5	18.6	40.0	2.9
1962.....	62.7	18.7	40.9	3.1
1963.....	63.9	19.3	41.4	3.3
1964.....	65.4	22.5	39.3	3.5
1965.....	67.6	20.0	44.3	3.2
1966.....	70.2	17.8	49.4	3.0
1967.....	71.7	17.5	51.2	3.0
1968.....	73.7	20.3	50.6	2.8
1969.....	75.8	17.9	54.9	3.0
1970.....	74.3	16.5	55.3	2.5
1971.....	74.6	17.0	55.3	2.4
1972.....	77.6	11.9	63.3	2.3
1973.....	80.7	14.2	64.2	2.2
1974.....	83.3	15.4	65.8	2.1
1975.....	82.2	15.8	63.8	2.6
1976.....	84.7	16.9	65.0	2.8
1977.....	86.6	17.8	66.0	2.8
1978.....	89.8	21.6	65.5	2.7
1979.....	92.7	18.8	71.4	2.4
1980.....	93.9	21.8	69.9	2.3
1981.....	95.4	23.0	70.0	2.4
1982.....	95.3	20.3	72.4	2.6
1983.....	96.3	18.5	75.0	2.9
1984.....	99.4	21.2	75.6	2.7
1985.....	101.7	21.2	77.4	3.0
1986.....	103.0	21.5	78.1	3.5
1987.....	107.0	23.8	79.8	3.4
1988.....	109.7	27.2	79.1	3.4
1989.....	112.1	28.0	80.9	3.2
1990.....	113.8	27.0	83.5	3.3

See notes following Table 20.

# Selected Historical and Other Data

**Table 10.--Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1970-1990**

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

Item	1970	1975	1980	1985	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns, total<sup>1</sup></b> .....	<b>5,769,741</b>	<b>7,221,346</b>	<b>8,931,712</b>	<b>11,928,573</b>	<b>14,297,558</b>	<b>14,782,738</b>
Number with net income .....	n.a.	n.a.	n.a.	8,640,701	11,017,545	11,221,925
<b>Business receipts, total<sup>1</sup></b> .....	<b>198,582,172</b>	<b>273,954,741</b>	<b>411,205,713</b>	<b>540,045,430</b>	<b>692,810,938</b>	<b>730,606,020</b>
Income from sales and operations .....	n.a.	272,342,560	407,169,299	528,675,271	678,616,316	719,007,636
<b>Total deductions</b> .....	<b>168,044,746</b>	<b>234,318,288</b>	<b>356,258,495</b>	<b>461,272,852</b>	<b>560,175,242<sup>2</sup></b>	<b>589,249,583<sup>2</sup></b>
Cost of sales and operations .....	109,148,811	146,261,435	209,889,809	232,294,132	283,709,263	291,010,060
Inventory, beginning-of-year.....	n.a.	n.a.	n.a.	21,435,438	26,435,007	29,024,992
Inventory, end of year .....	11,060,775	15,578,040	21,996,236	24,969,895	30,060,378	30,421,844
Purchases .....	88,585,913	117,722,352	168,301,517	n.a.	204,681,257	210,225,158
Cost of labor .....	7,704,285	8,791,083	10,922,221	14,504,201	22,539,717	22,679,507
Materials and supplies .....	6,216,057	9,090,638	12,909,222	n.a.	29,870,475	30,195,388
Advertising.....	n.a.	n.a.	n.a.	n.a.	6,360,282	6,574,743
Car and truck expenses .....	n.a.	n.a.	13,378,289	17,044,421	20,789,123	21,765,531
Commissions .....	1,274,016	2,225,830	3,333,345	n.a.	6,843,131	8,816,233
Depletion.....	n.a.	n.a.	n.a.	n.a.	697,527	816,131
Depreciation .....	5,451,525	7,958,143	13,952,703	26,291,389	24,479,083	23,734,507
Pension and profit sharing plans .....	72,741	125,296	141,463	311,323	539,006	586,394
Employee benefit programs.....	n.a.	n.a.	n.a.	n.a.	791,918	1,056,604
Insurance .....	2,309,608	3,503,812	6,003,126	n.a.	12,879,020	13,357,568
Interest paid .....	1,784,276	3,390,845	7,190,257	11,913,982	13,279,935	13,311,670
Mortgage interest.....	n.a.	n.a.	n.a.	n.a.	5,971,296	6,256,506
Other interest.....	n.a.	n.a.	n.a.	n.a.	7,308,639	7,055,164
Meals and entertainment expenses, total.....	n.a.	n.a.	n.a.	n.a.	5,152,504	5,329,281
Meals and entertainment deduction.....	n.a.	n.a.	n.a.	n.a.	4,121,487	4,262,870
Office expenses.....	n.a.	n.a.	n.a.	n.a.	6,224,723	6,896,758
Rent paid .....	4,636,528	6,676,314	9,636,290	15,258,690	20,951,632	23,391,608
On machinery.....	n.a.	n.a.	n.a.	n.a.	2,975,857	3,754,492
On other business property.....	n.a.	n.a.	n.a.	n.a.	17,975,775	19,637,116
Repairs .....	2,444,607	3,044,175	5,031,573	n.a.	8,149,168	8,940,657
Net salaries and wages .....	15,107,047	20,227,859	26,560,821	38,265,691	45,469,088	46,998,029
Taxes paid .....	3,775,502	5,423,961	7,672,459	n.a.	9,947,661	10,341,654
Travel.....	n.a.	n.a.	n.a.	n.a.	4,494,275	5,605,961
Utilities .....	n.a.	n.a.	4,790,337	n.a.	13,600,896	13,538,612
Bad debts from sales or service.....	n.a.	n.a.	n.a.	600,613	1,109,658	1,038,756
<b>Net income (less deficit)</b> .....	<b>30,537,426</b>	<b>39,636,453</b>	<b>54,947,219</b>	<b>78,772,578</b>	<b>132,737,680<sup>2</sup></b>	<b>141,430,193<sup>2</sup></b>
Net income .....	33,735,732	45,624,890	68,010,051	98,775,563	152,416,377	161,657,252
Deficit .....	3,198,306	5,988,437	13,062,832	20,002,986	19,678,697	20,227,059

See notes following Table 20.

# Selected Historical and Other Data

**Table 11.--Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1970-1990**

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

Item	1970	1975	1980	1985	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total number of active partnerships</b> .....	<b>936,133</b>	<b>1,073,094</b>	<b>1,379,654</b>	<b>1,713,603</b>	<b>1,635,164</b>	<b>1,553,529</b>
Number with net income .....	639,795	661,134	774,173	875,846	897,950	853,676
Number with balance sheets .....	555,741	783,271	1,194,236	1,227,498	1,137,048	1,081,224
<b>Number of partners</b> .....	<b>3,697,818</b>	<b>4,950,634</b>	<b>8,419,899</b>	<b>13,244,824</b>	<b>18,431,918</b>	<b>17,094,966</b>
<b>Total assets</b> <sup>1</sup> .....	<b>16,752,751</b>	<b>235,468,301</b>	<b>597,503,923</b>	<b>1,269,434,302</b>	<b>1,791,027,273</b>	<b>1,685,223,450</b>
Depreciable assets (net) .....	n.a.	113,124,969	239,139,823	695,878,822	1,002,296,389	1,032,723,957
Inventories, end of year .....	n.a.	11,985,431	33,218,272	27,279,234	59,442,619	56,507,062
Land .....	n.a.	36,731,958	70,241,248	152,179,314	213,854,531	214,757,035
<b>Total liabilities</b> <sup>1</sup> .....	<b>n.a.</b>	<b>193,875,629</b>	<b>488,734,023</b>	<b>1,069,221,649</b>	<b>1,435,245,691</b>	<b>1,369,435,559</b>
Accounts payable .....	n.a.	12,302,055	33,899,048	40,871,755	51,695,075	62,401,908
Short-term debt <sup>2</sup> .....	n.a.	22,709,476	48,001,839	102,760,363	86,933,328	87,570,916
Long-term debt <sup>3</sup> .....	n.a.	136,296,764	178,044,406	381,960,685	512,127,625	496,727,132
Nonrecourse loans .....	n.a.	n.a.	118,910,380	327,558,208	461,008,315	470,139,911
<b>Partners' capital accounts</b> <sup>1</sup> .....	<b>n.a.</b>	<b>41,592,672</b>	<b>108,769,900</b>	<b>200,212,653</b>	<b>355,781,582</b>	<b>315,787,891</b>
<b>Total receipts</b> <sup>4</sup> .....	<b>93,348,080</b>	<b>148,417,529</b>	<b>291,998,115</b>	<b>367,117,316</b>	<b>550,848,428</b> <sup>5</sup>	<b>566,212,218</b> <sup>5</sup>
Business receipts <sup>5</sup> .....	90,208,834	142,505,781	271,108,832	302,733,374	464,951,817	483,417,504
Interest received.....	942,304	2,477,173	10,869,323	20,558,966	20,941,861	20,799,631
<b>Total deductions</b> <sup>4</sup> .....	<b>83,557,684</b>	<b>140,679,959</b>	<b>283,749,460</b>	<b>376,000,991</b>	<b>536,749,152</b>	<b>549,602,678</b>
Cost of sales and operations .....	46,040,874	64,672,843	113,885,668	146,315,315	232,797,570	242,448,195
Purchases .....	31,820,581	42,608,734	70,439,607	91,925,923	137,011,049	140,521,621
Cost of labor .....	4,146,927	4,585,836	7,015,547	8,845,106	13,378,307	13,924,993
Salaries and wages.....	8,129,233	12,489,039	22,336,337	33,884,204	54,051,875	56,025,118
Taxes paid .....	3,159,258	5,770,918	9,553,145	7,745,756	8,873,071	9,339,396
Interest paid .....	4,470,206	12,097,100	28,362,385	28,674,933	32,747,005	26,617,935
Depreciation <sup>7</sup> .....	4,578,820	10,108,834	21,576,189	53,650,790	64,368,099	60,204,443
<b>Net income (less deficit)</b> .....	<b>9,790,396</b>	<b>7,737,570</b>	<b>8,248,655</b>	<b>-8,883,674</b>	<b>14,099,275</b>	<b>16,609,540</b>
Net income .....	14,419,124	22,431,931	45,061,756	77,044,693	113,885,966	116,317,801
Deficit .....	4,628,728	14,694,361	36,813,100	85,928,367	99,786,691	99,708,261

See notes following Table 20.



# Selected Historical and Other Data

**Table 12.--Number of Business Income Tax Returns by Size of Business for Specified Income Years, 1970-1990**  
 [All figures are estimates based on samples--number of businesses are in thousands]

Size of business	1970	1975	1980	1985	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)
<b>CORPORATIONS</b>						
<b>Receipt size <sup>1</sup></b>						
Under \$25,000 <sup>2</sup> .....	451.9	468.9	557.0	710.8	865.2	n.a.
\$25,000 under \$50,000.....	170.7	186.4	207.7	236.6	240.9	n.a.
\$50,000 under \$100,000.....	219.8	260.7	322.7	330.2	332.3	n.a.
\$100,000 under \$250,000.....	516.9	673.9	558.4	620.5	631.6	n.a.
\$250,000 under \$500,000.....	141.1	184.2	367.3	489.2	513.1	n.a.
\$500,000 under \$1,000,000.....	165.0	249.5	279.8	352.4	414.7	n.a.
\$1,000,000 or more.....			417.7	537.6	630.1	n.a.
<b>Asset size</b>						
Under \$100,000 <sup>3</sup> .....	961.0	1,177.7	1,514.6	1,833.5	2,043.0	n.a.
\$100,000 under \$1,000,000.....	599.1	704.6	968.9	1,152.5	1,230.8	n.a.
\$1,000,000 under \$10,000,000.....	87.0	116.4	191.8	245.4	300.1	n.a.
\$10,000,000 under \$25,000,000.....	9.8	12.2	16.6	20.9	24.8	n.a.
\$25,000,000 under \$50,000,000.....	3.9	5.6	7.8	10.4	10.8	n.a.
\$50,000,000 under \$100,000,000.....	2.1	3.1	4.8	6.2	7.3	n.a.
\$100,000,000 under \$250,000,000.....	1.4	2.1	3.2	4.4	5.6	n.a.
\$250,000,000 and over.....	1.2	1.9	2.9	4.1	5.5	n.a.
<b>PARTNERSHIPS</b>						
<b>Receipt size <sup>1,4</sup></b>						
Under \$25,000 <sup>2</sup> .....	501.7	549.7	638.0	840.1	779.0	962.6
\$25,000 under \$50,000.....	125.2	141.0	181.8	195.5	155.6	126.0
\$50,000 under \$100,000.....	119.6	133.7	183.6	199.5	201.6	133.0
\$100,000 under \$250,000.....	97.2	114.0	155.2	190.1	219.2	139.9
\$250,000 under \$500,000.....	65.2	90.6	135.6	165.5	122.4	82.5
\$500,000 under \$1,000,000.....	17.0	25.5	48.1	66.9	77.9	52.1
\$1,000,000 or more.....	10.3	18.6	37.4	56.0	79.5	57.1
<b>Asset size <sup>5</sup></b>						
Under \$25,000 <sup>3</sup> .....	635.7	611.0	541.9	794.1	757.8	713.1
\$25,000 under \$50,000.....	80.8	105.9	156.3	132.7	126.4	99.3
\$50,000 under \$100,000.....	73.5	106.8	180.2	165.8	122.1	99.5
\$100,000 under \$250,000.....	74.7	116.0	219.1	210.9	192.1	194.1
\$250,000 under \$500,000.....	33.8	56.9	117.9	142.8	133.9	128.6
\$500,000 under \$1,000,000.....	19.3	35.3	72.1	100.0	109.6	105.2
\$1,000,000 or more.....	18.3	41.2	92.2	167.2	193.3	213.7
<b>NONFARM SOLE PROPRIETORSHIPS</b>						
<b>Receipt size <sup>6</sup></b>						
Under \$2,500 <sup>3</sup> .....	1,894.3	2,299.9	2,783.1	3,067.5	3,623.1	3,750.1
\$2,500 under \$5,000.....	815.1	959.4	1,158.6	1,444.6	1,621.5	1,714.5
\$5,000 under \$10,000.....	891.5	1,041.7	1,262.9	1,633.6	1,998.2	2,011.7
\$10,000 under \$25,000.....	1,137.4	1,325.7	1,711.8	2,104.6	2,612.7	2,719.8
\$25,000 under \$50,000.....	746.4	849.5	1,079.1	1,393.9	1,660.0	1,660.2
\$50,000 under \$100,000.....	562.0	644.5	835.6	1,094.1	1,259.0	1,282.1
\$100,000 under \$200,000.....	297.4	380.9	795.8	1,060.2	779.0	857.2
\$200,000 under \$500,000.....	122.3	209.2	73.9	89.3	554.9	587.0
\$500,000 under \$1,000,000.....	20.8	35.3	29.2	40.7	139.7	142.7
\$1,000,000 or more.....	6.6	13.5			49.5	57.3

See notes following Table 20.

# Selected Historical and Other Data

**Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1970-1989**

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

Item	1970	1975	1980	1985	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns, total</b> .....	1,665,477	2,023,647	2,710,538	3,277,219	3,562,789 <sup>1</sup>	3,627,863 <sup>1</sup>
Number with net income .....	1,008,337	1,226,208	1,596,632	1,820,120	1,908,799 <sup>1</sup>	1,921,805 <sup>1</sup>
Consolidated returns <sup>2,3</sup> .....	19,871	38,307	57,890	79,598	74,247	74,243
S Corporation returns <sup>4</sup> .....	257,475	358,413	545,389	724,749	1,257,191 <sup>1</sup>	1,422,967
DISC returns <sup>3,5</sup> .....	N/A	6,431	8,665	1,383	(1)	(1)
FSC returns <sup>3,6</sup> .....	N/A	N/A	N/A	2,341	(1)	(1)
<b>Total assets</b> .....	<b>2,634,706,564</b>	<b>4,286,556,273</b>	<b>7,617,238,403</b>	<b>12,773,093,888</b>	<b>16,568,467,823<sup>1</sup></b>	<b>17,647,120,286<sup>1</sup></b>
Cash .....	176,924,573	290,426,439	528,914,747	683,204,264	784,815,919	823,705,622
Notes and accounts receivable .....	614,687,367	1,051,542,806	1,984,601,790	3,317,635,191	4,099,147,501	4,195,999,662
Less: Allowance for bad debts .....	20,030,327	31,032,998	50,057,307	61,580,335	96,744,285	704,026,839
Inventories .....	190,401,642	317,718,545	534,806,547	714,722,928	845,783,686	879,318,508
Investments in Government obligations .....	106,222,911	176,955,397	265,542,521	916,550,098 <sup>7</sup>	1,094,749,402 <sup>7</sup>	927,940,976 <sup>7</sup>
Tax-exempt securities .....	90,402,479	139,176,302	206,517,216	(7)	(7)	332,792,829 <sup>7</sup>
Other current assets .....	73,058,482	145,101,716	310,177,160	629,136,396	912,145,245	1,025,760,249
Loans to stockholders .....	4,774,082	9,355,636	29,873,250	56,761,232	79,855,312	81,223,634
Mortgage and real estate loans .....	327,593,354	548,054,483	894,323,489	1,258,672,577	1,604,896,498	1,610,211,866
Other investments .....	401,389,022	626,266,074	1,213,986,210	2,413,551,474	3,614,438,470	3,970,942,298
Depreciable assets .....	868,908,018	1,276,564,500	2,107,027,914	3,174,193,649	3,820,961,787	4,069,775,039
Less: Accumulated depreciation .....	334,646,086	483,798,526	767,841,763	1,232,072,530	1,593,226,079	1,718,268,625
Depletable assets .....	18,517,264	38,511,396	71,901,490	112,339,389	124,421,968	134,392,549
Less: Accumulated depletion .....	6,774,796	14,501,561	19,569,556	37,203,920	50,921,656	56,491,222
Land .....	46,626,157	66,819,206	92,931,935	141,448,357	177,037,541	191,299,047
Intangible assets (amortizable) .....	12,818,168	12,823,183	45,480,694	145,290,625	329,484,622	438,136,945
Less: Accumulated amortization .....	5,984,184	4,491,990	18,393,037	42,505,240	67,703,687	82,406,932
Other assets .....	69,838,438	121,065,665	187,015,106	582,949,738	889,325,583	925,814,680
<b>Total liabilities</b> .....	<b>2,634,706,564</b>	<b>4,286,556,273</b>	<b>7,617,238,403</b>	<b>12,773,093,888</b>	<b>16,568,467,823<sup>1</sup></b>	<b>17,647,120,286<sup>1</sup></b>
Accounts payable .....	148,812,597	263,417,584	542,172,368	891,571,443	1,022,810,938	1,090,421,687
Mortgages, notes, and bonds payable in less than 1 year .....	170,884,261	272,123,551	504,802,288	1,001,337,795	1,431,308,911	1,601,540,823
Other current liabilities .....	892,218,397	1,577,425,991	2,706,796,360	4,234,983,432	5,092,190,043	5,141,333,387
Loans from stockholders .....	24,573,814	38,143,936	85,718,510	174,317,253	243,230,029	247,166,196
Mortgages, notes, and bonds payable in 1 year or more .....	362,700,303	586,703,526	986,663,932	1,699,272,481	2,352,107,056	2,490,067,919
Other liabilities .....	283,106,029	451,676,880	846,696,691	1,467,912,913	2,219,993,412	2,473,885,302
Capital stock .....	201,213,719	251,715,862	417,153,783	920,182,882	1,429,486,814	1,477,273,520
Paid-in or capital surplus .....	196,642,421	298,534,854	532,039,407	1,420,996,805	2,154,243,458	2,595,241,587
Retained earnings, appropriated .....	16,657,051	29,955,676	41,461,644	54,074,364	77,508,595	75,039,921
Retained earnings, unappropriated .....	349,225,750	537,631,026	1,027,902,049	1,311,512,589	1,313,070,807	1,447,386,971
Less: Cost of treasury stock .....	11,327,778	20,772,613	74,168,627	403,068,064	870,298,430	992,237,024
<b>Total receipts</b> .....	<b>1,750,776,503</b>	<b>3,198,627,860</b>	<b>6,361,284,012</b>	<b>8,398,278,426</b>	<b>10,264,867,461<sup>1,8,9</sup></b>	<b>10,934,973,405<sup>1,8,9</sup></b>
Business receipts .....	1,620,886,576	2,961,729,640	5,731,616,337	7,369,538,953	8,949,846,244 <sup>8,9</sup>	9,427,277,533 <sup>8,9</sup>
Interest on State and local Government obligations .....	3,775,917	6,711,606	12,620,876	20,164,514	32,308,213	36,278,852
Other interest .....	67,794,508	136,587,304	354,243,674	617,622,425 <sup>9</sup>	772,316,565 <sup>10</sup>	930,912,502 <sup>10</sup>
Dividends received from domestic corporations .....	5,238,421	8,818,282	18,654,800	16,967,379	15,165,056	15,480,200
Dividends received from foreign corporations .....	3,466,515	5,467,726	14,563,353	20,770,361	42,281,099	33,503,834
Rents .....	13,938,502	21,765,130	41,371,141	89,700,937	92,309,807	102,685,563
Royalties .....	2,586,387	5,167,141	12,450,250	15,237,421	23,942,535	26,810,742
Net short-term capital gain reduced by net long-term capital loss .....	190,439	301,601	2,013,510	7,032,062	5,574,907	10,759,508
Net long-term capital gain reduced by net short-term capital loss .....	5,481,580	8,364,523	24,910,957	53,771,685	56,684,288	62,471,314
Net gain, noncapital assets .....	5,315,562	7,757,287	20,117,615	33,537,842	36,522,792 <sup>9</sup>	34,997,162 <sup>9</sup>
Other receipts .....	22,102,096	35,957,620	128,721,498	153,934,848	237,915,957	253,796,196

# Selected Historical and Other Data

**Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1970-1989—Continued**

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

Item	1970	1975	1980	1985	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total deductions</b> .....	<b>1,682,778,847</b>	<b>3,052,674,597</b>	<b>6,125,365,155</b>	<b>8,158,144,126</b>	<b>9,853,420,138<sup>1,8</sup></b>	<b>10,544,705,529<sup>1,8</sup></b>
Cost of sales and operations .....	1,146,263,273	2,129,928,467	4,204,905,905	4,894,254,081	5,944,935,455	6,317,467,181
Compensation of officers .....	32,846,381	57,832,552	108,973,751	170,737,540	203,220,587	197,766,376
Repairs .....	13,986,819	23,422,171	42,407,967	81,495,784	86,236,216	90,044,129
Bad debts .....	6,479,814	13,781,147	18,769,771	43,333,588	58,644,690	68,805,675
Rent paid on business property.....	23,842,355	40,769,829	71,990,832	134,661,335	161,141,584	173,079,979
Taxes paid .....	49,523,243	81,530,302	163,003,622	200,977,161	222,323,028	236,145,632
Interest paid .....	62,055,010	129,307,921	344,612,542	568,645,475	672,447,709	831,521,305
Contributions or gifts .....	797,029	1,202,130	2,358,554	4,471,736	4,893,019	4,892,920
Amortization .....	745,005	717,398	1,374,658	6,133,737	20,325,799	25,569,136
Depreciation .....	52,941,266	86,295,664	157,345,828	304,380,703	327,516,917	337,302,354
Depletion .....	5,623,339	5,341,489	8,871,993	7,779,731 <sup>11</sup>	8,716,602	9,251,107
Advertising .....	18,089,097	26,605,786	52,266,004	91,922,667	114,408,994	124,432,075
Pension, profit-sharing, stock bonus and annuity plans.....	12,225,912	26,526,129	51,529,310	49,588,712 <sup>11</sup>	45,183,078	44,159,248
Employee benefit programs .....	7,398,283	15,690,563	40,179,104	71,601,577 <sup>11</sup>	94,322,487	109,561,360
Net loss, noncapital assets .....	1,289,305	1,804,079	5,903,104	7,893,175	14,094,202 <sup>9</sup>	21,121,221 <sup>9</sup>
Other deductions .....	248,672,716	411,918,970	850,872,216	1,520,267,133 <sup>11</sup>	1,875,009,779 <sup>11</sup>	1,953,585,833 <sup>11</sup>
<b>Total receipts less total deductions</b> .....	<b>67,997,656</b>	<b>145,953,263</b>	<b>235,918,858</b>	<b>240,134,300</b>	<b>411,447,323<sup>1,8,9</sup></b>	<b>390,267,875<sup>1,8,9</sup></b>
Constructive taxable income from related foreign corporations .....	1,679,875	3,395,169	15,708,560	20,299,335	33,977,330	35,100,199
Net income (less deficit) .....	65,901,614	142,636,826	239,006,542	240,119,020	412,982,753 <sup>1,8</sup>	389,010,675 <sup>1,8</sup>
Net income .....	83,710,924	169,483,336	296,787,201	363,867,384	555,850,912 <sup>1,8</sup>	556,332,401 <sup>1,8</sup>
Deficit .....	17,809,310	26,846,510	57,780,659	123,748,365	142,868,159 <sup>1,8</sup>	167,321,725 <sup>1,8</sup>
Income subject to tax <sup>12</sup> .....	72,374,437	146,589,287	246,598,486	266,060,609	383,201,978	371,054,512
<b>Income tax, total</b> .....	<b>33,293,018<sup>13</sup></b>	<b>66,144,308</b>	<b>105,142,436</b>	<b>111,340,839</b>	<b>131,367,397</b>	<b>127,754,021</b>
Regular and alternative tax <sup>14</sup> .....	32,949,937	65,769,822	103,831,172	109,106,358	126,899,211	123,236,461
Recapture of prior-year investment credit.....	77,832	217,138	867,571	1,497,597	552,398	354,889
Recapture of prior-year work incentive (WIN) credit.....	N/A	608	4,873	N/A	N/A	N/A
Minimum tax and alternative minimum tax <sup>15</sup> .....	265,249	156,740	438,820	725,878	3,352,845	3,540,918
Environmental tax .....	N/A	N/A	N/A	N/A	487,926	471,779
Foreign tax credit .....	4,548,986	19,987,724	24,879,737	24,263,487	27,068,104	23,996,821
U.S. possessions tax credit .....	N/A	N/A	1,572,734	2,450,583	2,318,021	2,793,603
Investment credit .....	865,954	6,459,746	15,102,812	( <sup>16</sup> )	( <sup>16</sup> )	( <sup>16</sup> )
Work incentive (WIN) credit .....	N/A	5,321	36,483	N/A	N/A	N/A
Jobs credit .....	N/A	N/A	601,444	( <sup>16</sup> )	( <sup>16</sup> )	( <sup>16</sup> )
Nonconventional source fuel credit.....	N/A	N/A	2	43,267	49,517	82,792
Alcohol fuel credit .....	N/A	N/A	4	( <sup>16</sup> )	( <sup>16</sup> )	( <sup>16</sup> )
Research activities credit .....	N/A	N/A	N/A	1,627,997	( <sup>16</sup> )	( <sup>16</sup> )
Employees stock ownership credit.....	N/A	N/A	N/A	( <sup>16</sup> )	N/A	N/A
Orphan drug credit .....	N/A	N/A	N/A	*204	8,053	14,190
General business credit .....	N/A	N/A	N/A	19,607,097 <sup>16</sup>	5,559,174 <sup>16</sup>	3,882,728 <sup>16</sup>
Prior year minimum tax credit .....	N/A	N/A	N/A	N/A	468,767	836,681
<b>Distributions to stockholders:</b>						
Cash and property except in own stock.....	32,012,677	45,224,392	97,378,617	n.a.	n.a.	n.a.
Corporation's own stock .....	1,922,810	2,066,559	3,525,549	n.a.	n.a.	n.a.

See notes following Table 20.

# Selected Historical and Other Data

**Table 14.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1970-1989**

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

Industrial division and item	1970	1975	1980	1985	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)
<b>AGRICULTURE, FORESTRY AND FISHING</b>						
Number of returns, total	37,283	56,280	80,883	103,156	119,902 <sup>1</sup>	123,195 <sup>1</sup>
Number with net income	19,843	33,328	43,827	52,776	63,943 <sup>1</sup>	70,919 <sup>1</sup>
Total assets	11,909,403	21,177,941	40,738,977	52,651,197	60,491,780 <sup>1</sup>	63,413,253 <sup>1</sup>
Net worth	4,012,068	6,844,949	11,460,935	15,406,221	20,271,852 <sup>1</sup>	21,097,130 <sup>1</sup>
Total receipts	14,277,707	28,118,514	52,089,915	70,491,486	86,258,094 <sup>1,2</sup>	86,627,044 <sup>1,2</sup>
Business receipts	13,591,763	26,624,149	48,850,056	65,419,402	80,520,140	81,159,501
Interest received	69,742	171,732	476,654	775,383 <sup>3</sup>	578,950 <sup>3</sup>	668,099 <sup>3</sup>
Total deductions	14,209,713	27,389,286	51,418,280	70,559,478	84,637,081 <sup>1,2</sup>	85,065,088 <sup>1,2</sup>
Cost of sales and operations	10,555,539	19,738,447	35,798,332	45,085,526	57,188,712	57,275,674
Interest paid	356,225	797,420	2,184,441	2,758,952	2,497,991	2,788,784
Net income (less deficit)	65,295	746,908	673,158	-74,270	1,615,921 <sup>1,2</sup>	1,550,580 <sup>1,2</sup>
Net income	493,400	1,493,168	2,464,381	2,930,905	4,184,927 <sup>2</sup>	4,347,165 <sup>2</sup>
Deficit	428,105	746,260	1,791,222	3,005,175	2,569,006 <sup>2</sup>	2,796,586 <sup>2</sup>
Regular and alternative tax <sup>4</sup>	113,115 <sup>5</sup>	351,059	533,768	531,787	538,994	585,804
Total income tax after credits <sup>6</sup>	107,023 <sup>5</sup>	294,584	422,356	344,626	500,206	557,583
Distributions to stockholders except in own stock	65,824	244,524	304,733	n.a.	n.a.	n.a.
<b>MINING</b>						
Number of returns, total	14,465	14,242	25,576	41,426	41,080 <sup>1</sup>	41,631 <sup>1</sup>
Number with net income	7,303	8,297	12,698	18,031	16,133 <sup>1</sup>	18,756 <sup>1</sup>
Total assets	23,972,812	64,505,341	126,947,880	240,815,996	225,639,336 <sup>1</sup>	236,339,172 <sup>1</sup>
Net worth	13,381,821	32,765,690	54,068,148	104,772,797	111,829,194 <sup>1</sup>	126,413,627 <sup>1</sup>
Total receipts	17,747,750	65,909,994	176,672,390	142,038,595	100,426,996 <sup>1,2</sup>	102,378,796 <sup>1,2</sup>
Business receipts	16,699,586	63,670,496	167,397,918	126,710,610	87,350,933	87,977,574
Interest received	176,728	522,757	1,301,266	3,584,890 <sup>3</sup>	3,233,553 <sup>3</sup>	3,706,174 <sup>3</sup>
Total deductions	15,927,348	42,348,765	169,051,624	145,389,514	96,765,413 <sup>1,2</sup>	99,496,661 <sup>1,2</sup>
Cost of sales and operations	9,955,600	30,171,612	116,989,880	87,972,035	54,573,351	56,658,030
Interest paid	388,032	1,166,182	3,440,080	7,789,995	5,916,281	6,529,206
Net income (less deficit)	1,834,315	23,574,833	7,750,561	-2,543,487	4,111,855 <sup>2</sup>	3,144,686 <sup>1,2</sup>
Net income	2,399,507	24,347,893	10,133,685	6,166,623	8,581,355 <sup>2</sup>	8,217,588 <sup>2</sup>
Deficit	565,192	773,060	2,383,124	8,710,110	4,469,500 <sup>2</sup>	5,072,882 <sup>2</sup>
Regular and alternative tax <sup>4</sup>	1,031,550 <sup>5</sup>	11,361,037	3,947,569	1,736,952	1,577,438	1,494,139
Total income tax after credits <sup>6</sup>	342,928 <sup>5</sup>	1,051,138	1,674,566	557,519	1,072,854	1,080,476
Distributions to stockholders except in own stock	1,177,550	1,015,895	4,757,780	n.a.	n.a.	n.a.
<b>CONSTRUCTION</b>						
Number of returns, total	138,905	191,219	272,432	318,276	381,499 <sup>1</sup>	393,103 <sup>1</sup>
Number with net income	82,078	108,852	150,368	185,613	222,350 <sup>1</sup>	222,815 <sup>1</sup>
Total assets	42,719,792	76,691,947	132,939,026	215,297,771	241,395,405 <sup>1</sup>	249,711,210 <sup>1</sup>
Net worth	11,819,604	19,029,077	32,826,174	54,687,270	62,524,744 <sup>1</sup>	66,723,453 <sup>1</sup>
Total receipts	90,610,644	146,955,117	267,205,356	387,232,953	499,690,338 <sup>1,2</sup>	517,477,336 <sup>1,2</sup>
Business receipts	88,945,385	143,412,715	260,387,692	374,590,273	485,711,849	504,906,544
Interest received	219,698	614,583	2,073,650	3,851,628 <sup>3</sup>	3,582,186 <sup>3</sup>	3,513,280 <sup>3</sup>
Total deductions	89,070,022	144,717,309	262,116,275	382,823,113	488,357,231 <sup>1,2</sup>	508,788,731 <sup>1,2</sup>
Cost of sales and operations	73,434,969	116,845,554	208,064,925	295,803,244	375,920,136	392,668,469
Interest paid	711,496	1,973,244	4,278,502	6,407,652	6,926,137	7,369,122
Net income (less deficit)	1,538,418	2,236,262	5,271,209	4,370,924	11,343,920 <sup>1,2</sup>	8,736,930 <sup>1,2</sup>
Net income	2,548,013	4,514,864	8,911,143	11,053,145	17,946,717 <sup>2</sup>	16,312,212 <sup>2</sup>
Deficit	1,009,595	2,278,602	3,639,934	6,682,220	6,602,797 <sup>2</sup>	7,575,282 <sup>2</sup>
Regular and alternative tax <sup>4</sup>	776,979 <sup>5</sup>	1,320,196	2,521,507	2,243,786	2,381,580	2,221,113
Total income tax after credits <sup>6</sup>	756,637 <sup>5</sup>	1,131,960	1,973,659	1,662,563	2,274,530	2,106,624
Distributions to stockholders except in own stock	299,204	464,553	793,764	n.a.	n.a.	n.a.
<b>MANUFACTURING</b>						
Number of returns, total	197,807	217,354	242,550	276,545	299,538 <sup>1</sup>	301,346 <sup>1</sup>
Number with net income	120,814	136,839	153,640	159,778	172,955 <sup>1</sup>	173,128 <sup>1</sup>
Total assets	612,912,516	944,581,970	1,709,471,700	2,644,393,424	3,390,433,557 <sup>1</sup>	3,721,219,914 <sup>1</sup>
Net worth	308,923,293	442,587,674	749,186,774	1,099,645,876	1,253,269,530 <sup>1</sup>	1,373,491,815 <sup>1</sup>
Total receipts	722,952,890	1,296,359,650	2,404,323,844	2,831,062,496	3,348,965,911 <sup>1,2</sup>	3,531,219,028 <sup>1,2</sup>
Business receipts	700,090,661	1,258,338,650	2,301,056,550	2,656,345,750	3,118,059,530	3,276,012,925
Interest received	4,748,499	8,691,092	28,315,784	47,753,626 <sup>3</sup>	57,663,685 <sup>3</sup>	80,088,295 <sup>3</sup>
Total deductions	692,455,462	1,230,689,496	2,290,593,808	2,733,105,346	3,169,974,645 <sup>1,2</sup>	3,377,145,270 <sup>1,2</sup>
Cost of sales and operations	495,879,549	925,111,030	1,707,143,900	1,797,852,805	2,117,827,704	2,257,683,863
Interest paid	12,570,242	22,055,903	54,177,356	90,452,072	113,699,987	147,452,397
Net income (less deficit)	31,846,078	68,406,627	125,667,815	113,758,645	205,083,651 <sup>1,2</sup>	180,476,024 <sup>1,2</sup>
Net income	37,925,489	74,466,554	141,547,510	142,541,119	232,182,692 <sup>2</sup>	216,357,256 <sup>2</sup>
Deficit	6,079,411	6,059,927	15,879,695	28,782,474	27,099,041 <sup>2</sup>	35,881,232 <sup>2</sup>
Regular and alternative tax <sup>4</sup>	16,744,905 <sup>5</sup>	32,306,739	59,577,413	55,553,921	66,691,829 <sup>5</sup>	62,133,672 <sup>5</sup>
Total income tax after credits <sup>6</sup>	13,242,226 <sup>5</sup>	21,024,964	32,726,986	25,382,459	41,905,883	38,969,929
Distributions to stockholders except in own stock	14,616,282	19,973,061	37,306,509	n.a.	n.a.	n.a.

# Selected Historical and Other Data

**Table 14.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1970-1989--Continued**

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

Industrial division and item	1970	1975	1980	1985	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>						
Number of returns, total	67,398	80,701	111,324	138,337	149,248 <sup>1</sup>	156,037 <sup>1</sup>
Number with net income	38,204	45,360	62,232	69,938	78,583 <sup>1</sup>	79,346 <sup>1</sup>
Total assets	287,740,207	443,236,797	758,364,400	1,246,426,899	1,411,201,395 <sup>1</sup>	1,474,412,864 <sup>1</sup>
Net worth	121,205,022	176,444,407	290,655,693	490,481,127	519,388,495 <sup>1</sup>	511,303,115 <sup>1</sup>
Total receipts	135,495,271	243,480,637	523,807,396	772,358,188	838,753,393 <sup>1,2</sup>	906,501,335 <sup>1,2</sup>
Business receipts	131,463,171	234,689,427	507,372,820	733,943,970	779,584,504	844,076,080
Interest received	930,266	1,520,913	5,760,072	12,310,594 <sup>3</sup>	14,802,683 <sup>3</sup>	16,938,425 <sup>3</sup>
Total deductions	127,931,131	233,409,166	503,954,285	747,836,158	792,540,311 <sup>1,2</sup>	867,556,417 <sup>1,2</sup>
Cost of sales and operations	77,743,359	143,932,463	336,868,172	381,028,354	356,253,750	401,515,846
Interest paid	7,364,200	13,761,062	27,638,591	44,880,858	50,934,990	58,900,550
Net income (less deficit)	7,543,718	10,099,571	20,046,155	25,087,629	46,943,801 <sup>1,2</sup>	39,073,753 <sup>1,2</sup>
Net income	9,471,595	12,088,189	24,917,293	37,880,144	59,870,499 <sup>2</sup>	56,518,343 <sup>2</sup>
Deficit	1,927,877	1,988,618	4,871,138	12,792,516	17,444,390 <sup>2</sup>	17,444,390 <sup>2</sup>
Regular and alternative tax <sup>4</sup>	4,342,334 <sup>5</sup>	5,107,158	10,532,722	14,881,470	17,089,778	16,262,986
Total income tax after credits <sup>6</sup>	4,036,650 <sup>5</sup>	2,836,470	5,322,655	8,432,924	15,429,292	15,664,580
Distributions to stockholders except in own stock	5,837,565	8,900,353	17,329,807	n.a.	n.a.	n.a.
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns, total	518,062	614,632	799,628	917,301	984,553 <sup>1</sup>	1,012,980 <sup>1</sup>
Number with net income	339,987	399,668	487,300	510,825	562,082 <sup>1</sup>	544,244 <sup>1</sup>
Total assets	192,181,800	323,496,726	646,901,005	1,009,965,739	1,295,819,375 <sup>1</sup>	1,390,555,774 <sup>1</sup>
Net worth	77,002,132	122,649,734	222,289,687	286,260,274	331,968,322 <sup>1</sup>	342,748,950 <sup>1</sup>
Total receipts	522,547,923	969,938,872	1,955,523,778	2,473,865,453	2,977,982,750 <sup>1,2</sup>	3,184,946,370 <sup>1,2</sup>
Business receipts	511,316,883	951,463,550	1,919,347,689	2,408,174,933	2,891,336,187	3,094,814,670
Interest received	1,291,906	3,857,318	10,503,989	21,633,480 <sup>3</sup>	24,914,583 <sup>3</sup>	26,486,481 <sup>3</sup>
Total deductions	512,910,193	947,511,780	1,919,454,218	2,440,403,373	2,935,533,099 <sup>1,2</sup>	3,148,816,258 <sup>1,2</sup>
Cost of sales and operations	392,391,856	745,299,204	1,538,128,634	1,869,766,621	2,230,936,367	2,388,963,994
Interest paid	4,309,663	8,587,173	25,645,855	38,217,998	53,360,602	61,697,168
Net income (less deficit)	9,671,044	22,489,430	38,309,671	33,126,702	42,844,883 <sup>1,2</sup>	36,155,437 <sup>1,2</sup>
Net income	12,395,411	27,681,721	49,426,500	51,434,500	66,594,873 <sup>2</sup>	65,409,500 <sup>2</sup>
Deficit	2,724,367	5,192,291	11,116,829	18,307,798	23,749,990 <sup>2</sup>	29,254,062 <sup>2</sup>
Regular and alternative tax <sup>4</sup>	4,476,047 <sup>5</sup>	8,103,316	13,515,653	16,130,885	13,843,495	13,266,317
Total income tax after credits <sup>6</sup>	4,237,181 <sup>5</sup>	7,348,619	10,564,358	13,396,555	12,733,094	12,673,766
Distributions to stockholders except in own stock	2,068,501	5,029,897	10,343,087	n.a.	n.a.	n.a.
<b>FINANCE, INSURANCE AND REAL ESTATE</b>						
Number of returns, total	406,235	411,846	493,426	518,432	572,418	592,832
Number with net income	248,586	243,409	273,853	285,273	275,198	283,023
Total assets	401,153,520	2,321,965,956	4,022,206,073	7,029,452,681	9,411,547,140	9,957,481,118
Net worth	196,480,448	269,770,527	530,541,317	1,161,968,009	1,779,467,329	2,026,200,908
Total receipts	177,321,173	315,795,981	697,460,846	1,182,034,309	1,714,352,381 <sup>2,7</sup>	18,680,033,592 <sup>2,7</sup>
Business receipts	92,091,887	157,126,715	256,892,475	501,993,840	860,415,865 <sup>7</sup>	855,752,870 <sup>7</sup>
Interest received	63,694,046	127,040,303	315,146,115	541,268,193 <sup>3</sup>	688,751,003 <sup>3</sup>	826,126,038 <sup>3</sup>
Total deductions	161,630,060	297,963,817	652,637,787	1,104,572,202	1,596,044,566 <sup>2</sup>	1,730,536,970 <sup>2</sup>
Cost of sales and operations	48,434,362	84,614,209	129,644,330	237,577,803	501,018,140	487,672,748
Interest paid	34,548,509	77,677,659	219,167,684	363,009,417	415,952,696	521,868,248
Net income (less deficit)	12,214,079	11,663,330	33,122,792	60,670,526	91,892,954 <sup>2</sup>	108,907,351 <sup>2</sup>
Net income	15,081,939	18,825,003	46,040,390	90,546,934	136,443,479 <sup>2</sup>	155,238,423 <sup>2</sup>
Deficit	2,867,860	7,161,673	12,917,599	29,876,408	44,550,525 <sup>2</sup>	46,331,072 <sup>2</sup>
Regular and alternative tax <sup>4</sup>	4,404,449 <sup>5</sup>	5,558,647	9,680,755	13,369,981	19,918,799	21,692,353
Total income tax after credits <sup>6</sup>	4,150,009 <sup>5</sup>	4,673,705	7,699,628	10,193,877	17,858,548	20,146,630
Distributions to stockholders except in own stock	7,387,211	8,729,977	24,692,146	n.a.	n.a.	n.a.
<b>SERVICES</b>						
Number of returns, total	281,218	435,672	671,338	939,390	995,425 <sup>1</sup>	989,850 <sup>1</sup>
Number with net income	150,525	249,641	408,716	529,337	512,464 <sup>1</sup>	525,229 <sup>1</sup>
Total assets	61,875,140	90,534,067	178,163,737	330,982,941	530,326,395 <sup>1</sup>	552,132,138 <sup>1</sup>
Net worth	19,529,062	26,855,374	52,865,513	89,852,365	128,119,335 <sup>1</sup>	132,375,217 <sup>1</sup>
Total receipts	69,572,626	131,377,364	279,883,187	534,587,609	695,265,170 <sup>1,2</sup>	735,497,193 <sup>1,2</sup>
Business receipts	66,459,515	125,747,462	266,088,619	497,980,990	643,748,105	680,350,059 <sup>1,2</sup>
Interest received	435,070	875,506	3,269,412	6,561,301 <sup>3</sup>	11,078,904 <sup>3</sup>	9,649,922 <sup>3</sup>
Total deductions	68,384,452	127,996,443	271,792,974	528,685,613	686,267,928 <sup>1,2</sup>	724,922,705 <sup>1,2</sup>
Cost of sales and operations	37,733,747	63,724,869	129,352,692	176,070,808	249,228,959	273,531,298
Interest paid	1,802,802	3,279,438	8,033,612	15,027,259	23,077,104	26,858,974
Net income (less deficit)	1,198,703	3,396,744	8,193,903	5,883,782	9,276,631 <sup>1,2</sup>	11,020,194 <sup>1,2</sup>
Net income	3,384,869	6,025,592	13,246,601	21,124,460	29,951,299 <sup>2</sup>	33,839,910 <sup>2</sup>
Deficit	2,186,166	2,628,848	5,052,698	15,240,678	20,674,668 <sup>2</sup>	22,819,716 <sup>2</sup>
Regular and alternative tax <sup>4</sup>	1,058,264 <sup>5</sup>	1,625,093	3,497,265	4,621,875	4,847,966 <sup>5</sup>	5,563,239 <sup>5</sup>
Total income tax after credits <sup>6</sup>	1,003,130 <sup>5</sup>	1,323,637	2,603,370	3,343,830	4,112,219	4,930,443
Distributions to stockholders except in own stock	558,452	855,402	1,841,945	n.a.	n.a.	n.a.

See notes following Table 20.

## Selected Historical and Other Data

**Table 15.—Corporation Profits Before Taxes per National Income and Product Accounts (NIPA) and per SOI, and Income Subject to Tax per SOI, Income Years 1960-1991**

[All figures are estimates—money amounts are in billion of dollars]

Income year	Profits before taxes (per NIPA) <sup>1</sup>	Net income (less deficit) (per SOI)	Income subject to tax (per SOI) <sup>2</sup>
	(1)	(2)	(3)
1960.....	51.1	43.5	47.2
1961.....	51.0	45.9	47.9
1962.....	56.4	49.6	51.7
1963.....	61.2	54.3	54.3
1964.....	68.0	61.6	60.4
1965.....	78.8	73.9	70.8
1966.....	85.1	80.5	77.1
1967.....	81.8	78.2	74.8
1968.....	90.6	86.0	81.4
1969.....	89.0	80.2	81.2
1970.....	78.4	65.9	72.4
1971.....	90.1	79.7	83.2
1972.....	104.5	96.8	95.1
1973.....	130.9	120.4	115.5
1974.....	142.8	148.2	144.0
1975.....	140.4	142.6	146.6
1976.....	173.7	185.4	183.5
1977.....	203.3	219.2	212.5
1978.....	237.9	246.9	239.6
1979.....	261.4	284.6	279.4
1980.....	240.9	239.0	246.6
1981.....	228.9	213.6	241.5
1982.....	176.3	154.3	205.2
1983.....	210.7	188.3	218.7
1984.....	240.5	232.9	257.1
1985.....	225.0	240.1	268.1
1986.....	217.8	269.5	276.2
1987.....	287.9	328.2	311.8
1988.....	347.5	413.0	383.2
1989.....	342.9	389.0	371.0
p1990.....	355.4	n.a.	n.a.
p1991.....	334.7	n.a.	n.a.

See notes following Table 20.

## Selected Historical and Other Data

**Table 16.—Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-1992**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes <sup>2</sup>	Excise taxes <sup>3</sup>	Employment taxes <sup>4</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1987, TOTAL</b> .....	<b>886,290</b>	<b>465,452</b>	<b>102,859</b>	<b>33,311</b>	<b>277,000</b>	<b>7,668</b>
October 1986 - December 1986.....	180,580	92,346	22,466	8,281	55,615	1,872
January 1987 - March 1987.....	209,032	105,483	22,649	7,925	71,156	1,819
April 1987 - June 1987.....	285,477	164,008	29,748	8,493	81,139	2,089
July 1987 - September 1987.....	211,201	103,615	27,996	8,612	69,090	1,888
<b>FISCAL YEAR 1988, TOTAL</b> .....	<b>945,459</b>	<b>473,667</b>	<b>109,683</b>	<b>36,286</b>	<b>318,039</b>	<b>7,784</b>
October 1987 - December 1987.....	200,033	97,479	24,828	9,413	66,500	1,813
January 1988 - March 1988.....	222,721	111,215	22,006	7,578	80,161	1,761
April 1988 - June 1988.....	298,865	160,018	35,991	9,240	91,426	2,190
July 1988 - September 1988.....	223,840	104,955	26,858	10,055	79,952	2,020
<b>FISCAL YEAR 1989, TOTAL</b> .....	<b>1,023,421</b>	<b>515,732</b>	<b>117,015</b>	<b>36,076</b>	<b>345,625</b>	<b>8,973</b>
October 1988 - December 1988.....	216,133	104,522	29,551	9,272	70,632	2,156
January 1989 - March 1989.....	238,290	114,475	20,760	8,504	92,587	1,964
April 1989 - June 1989.....	333,964	180,947	40,825	9,386	100,077	2,729
July 1989 - September 1989.....	235,034	115,788	25,879	8,914	82,329	2,124
<b>FISCAL YEAR 1990, TOTAL</b> .....	<b>1,066,515</b>	<b>540,228</b>	<b>110,017</b>	<b>37,289</b>	<b>367,219</b>	<b>11,762</b>
October 1989 - December 1989.....	222,859	110,077	26,390	8,966	74,982	2,444
January 1990 - March 1990.....	251,913	127,277	21,433	8,044	92,868	2,291
April 1990 - June 1990.....	343,951	181,180	37,398	10,808	110,281	4,284
July 1990 - September 1990.....	247,792	121,694	24,796	9,471	89,088	2,743
<b>FISCAL YEAR 1991, TOTAL</b> .....	<b>1,099,124</b>	<b>546,877</b>	<b>113,598</b>	<b>42,725</b>	<b>384,451</b>	<b>11,473</b>
October 1990 - December 1990.....	242,881	118,047	29,248	9,205	83,646	2,735
January 1991 - March 1991.....	256,949	119,891	22,974	9,897	101,569	2,618
April 1991 - June 1991.....	338,469	181,949	35,953	10,968	106,426	3,173
July 1991 - September 1991.....	260,825	126,990	25,423	12,655	92,810	2,947
<b>FISCAL YEAR 1992</b>						
October 1991 - December 1991.....	246,273	117,980	28,571	8,238	88,749	2,735
January 1992 - March 1992.....	264,161	136,220	19,751	8,159	97,425	2,606
April 1992 - June 1992.....	345,447	173,437	41,930	8,311	118,503	3,266

See notes following Table 20.

## Selected Historical and Other Data

**Table 17.--Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-1992**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes <sup>2</sup>	Excise taxes <sup>3</sup>	Employment taxes <sup>4</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1987, TOTAL</b> .....	<b>96,969</b>	<b>73,583</b>	<b>19,891</b>	<b>1,381</b>	<b>1,900</b>	<b>214</b>
October 1986 - December 1986 .....	8,668	3,406	4,789	111	312	50
January 1987 - March 1987.....	28,422	22,198	5,296	479	393	56
April 1987 - June 1987.....	50,063	42,858	5,948	332	869	57
July 1987 - September 1987.....	9,816	5,121	3,858	459	326	52
<b>FISCAL YEAR 1988, TOTAL</b> .....	<b>94,480</b>	<b>74,399</b>	<b>16,477</b>	<b>1,114</b>	<b>2,263</b>	<b>227</b>
October 1987 - December 1987.....	7,701	3,437	3,727	207	275	55
January 1988 - March 1988.....	27,798	21,744	5,248	198	553	55
April 1988 - June 1988.....	49,202	43,769	3,848	421	1,114	50
July 1988 - September 1988.....	9,776	5,449	3,654	288	321	67
<b>FISCAL YEAR 1989, TOTAL</b> .....	<b>93,613</b>	<b>73,597</b>	<b>14,921</b>	<b>2,054</b>	<b>2,771</b>	<b>269</b>
October 1988 - December 1988.....	8,380	3,362	4,461	118	359	80
January 1989 - March 1989.....	32,041	26,759	4,462	182	570	67
April 1989 - June 1989.....	43,538	38,895	3,849	350	381	63
July 1989 - September 1989.....	9,654	4,581	2,149	1,404	1,461	59
<b>FISCAL YEAR 1990, TOTAL</b> .....	<b>99,656</b>	<b>76,065</b>	<b>18,324</b>	<b>2,261</b>	<b>2,677</b>	<b>329</b>
October 1989 - December 1989.....	8,487	3,094	4,605	300	409	79
January 1990 - March 1990.....	37,121	31,367	4,922	342	423	67
April 1990 - June 1990.....	43,308	36,952	4,209	549	1,492	106
July 1990 - September 1990.....	10,740	4,652	4,588	1,070	353	77
<b>FISCAL YEAR 1991, TOTAL</b> .....	<b>104,380</b>	<b>82,877</b>	<b>17,440</b>	<b>1,188</b>	<b>2,471</b>	<b>404</b>
October 1990 - December 1990.....	8,284	3,367	4,148	344	323	102
January 1991 - March 1991.....	38,020	32,811	4,286	293	538	92
April 1991 - June 1991.....	47,962	41,638	4,748	226	1,249	101
July 1991 - September 1991.....	10,114	5,061	4,258	325	361	109
<b>FISCAL YEAR 1992</b>						
October 1991 - December 1991.....	10,072	3,607	5,639	379	346	101
January 1992 - March 1992.....	44,657	38,183	5,750	201	430	93
April 1992 - June 1992.....	47,817	42,231	4,596	476	399	115

See notes following Table 20.



# Selected Historical and Other Data

**Table 18.--Classes of Excise Taxes by Specified Fiscal Years, 1970-1991**

[Money amounts are in thousands of dollars]

Selected class of tax	Taxes collected by fiscal year					
	1970	1975	1980	1985	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALCOHOL AND TOBACCO TAXES, TOTAL <sup>1</sup></b> .....	<b>6,840,594</b>	<b>7,665,948</b>	<b>8,151,184</b>	<b>9,881,293</b>	<b>10,149,541</b>	<b>12,125,900</b>
Distilled spirits .....	3,469,508	3,851,837	3,927,235	3,501,559	3,774,461	3,763,058
Wine .....	180,353	172,440	211,493	305,339	267,665	499,037
Beer .....	1,076,148	1,305,034	1,545,441	1,569,726	1,710,322	2,964,591
Cigarettes and cigars .....	2,092,935	2,312,342	2,442,357	4,473,210	4,267,013	4,781,936
<b>MANUFACTURERS EXCISE TAXES, TOTAL</b> .....	<b>6,683,061</b>	<b>5,516,611</b>	<b>6,487,421</b>	<b>10,020,574</b>	<b>11,024,753</b>	<b>14,223,212</b>
Gasoline and gasohol .....	3,517,588 <sup>2</sup>	4,071,465 <sup>2</sup>	4,326,549 <sup>2</sup>	9,062,630	9,694,512	13,001,336
Tires, tubes and tread rubber <sup>3</sup> .....	614,795	697,660	682,624	242,923	296,042	284,360
Motor vehicles, bodies, parts <sup>4</sup> .....	1,753,327	662,556	1,088,696	N/A	N/A	N/A
Recreational products .....	53,427	84,946	136,521	166,666	227,221	145,877
Black lung taxes .....	N/A	N/A	251,288	548,356	649,500	630,700
<b>SPECIAL FUELS AND RETAILERS TAXES, TOTAL <sup>5</sup></b> .....	<b>257,820</b>	<b>404,187</b>	<b>560,144</b>	<b>3,802,608</b>	<b>4,493,712</b>	<b>4,753,159</b>
Diesel and special motor fuels .....	257,712	370,489	512,718	2,430,165	3,190,281	3,690,518
Truck and trailer chassis and bodies.....	N/A	N/A	N/A	1,289,750	1,169,312	926,381
<b>MISCELLANEOUS EXCISE TAXES, TOTAL</b> .....	<b>2,084,730</b>	<b>3,306,077</b>	<b>6,359,198</b>	<b>11,044,833</b>	<b>8,889,559</b>	<b>9,903,242</b>
Telephone and teletype .....	1,469,562	2,023,744	1,117,834	2,307,607	3,075,209	2,952,522
Air transportation .....	250,802	850,567	1,748,837	2,589,818	3,400,513	4,299,627
Highway use tax .....	135,086	207,663	263,272	456,143	583,621	593,123
Foreign insurance .....	8,614	19,458	74,630	73,494	77,089	69,800
Exempt organization net investment income.....	N/A	63,828	65,280	136,153	206,630	182,997
Crude oil windfall profit <sup>6</sup> .....	N/A	N/A	3,051,719	5,073,159	-85,839	-425,106
Environmental taxes <sup>7</sup> .....	N/A	N/A	N/A	272,957	1,237,368	1,729,459

Selected class of tax	Taxes collected by fiscal year quarter ending--					
	Sept. 1990	Dec. 1990	March 1991	June 1991	Sept. 1991	Dec. 1991
	(7)	(8)	(9)	(10)	(11)	(12)
<b>ALCOHOL AND TOBACCO TAXES, TOTAL <sup>1</sup></b> .....	<b>2,527,895</b>	<b>2,772,418</b>	<b>2,712,790</b>	<b>3,421,783</b>	<b>3,218,909</b>	<b>3,583,681</b>
Distilled spirits .....	715,539	1,133,439	800,340	922,982	906,297	1,140,621
Wine .....	62,674	86,671	118,915	144,131	149,320	178,434
Beer .....	511,351	451,291	685,704	935,229	892,367	816,852
Cigarettes and cigars .....	1,193,980	1,095,944	1,104,106	1,366,168	1,215,718	1,408,141
<b>MANUFACTURERS EXCISE TAXES, TOTAL</b> .....	<b>2,928,444</b>	<b>3,243,338</b>	<b>3,030,565</b>	<b>3,853,486</b>	<b>4,095,723</b>	<b>4,163,568</b>
Gasoline and gasohol .....	2,570,820	2,891,308	2,722,915	3,578,348	3,808,765	3,852,821
Tires, tubes and tread rubber <sup>3</sup> .....	88,000	92,500	64,600	59,370	67,890	79,496
Recreational products <sup>4</sup> .....	57,041	49,733	44,769	26,466	24,909	18,891
Black lung taxes .....	165,400	161,100	160,600	152,900	156,100	162,100
<b>SPECIAL FUELS AND RETAILERS TAXES, TOTAL <sup>5</sup></b> .....	<b>1,155,943</b>	<b>1,131,998</b>	<b>1,080,291</b>	<b>1,186,904</b>	<b>1,353,966</b>	<b>1,294,641</b>
Diesel and special motor fuels .....	837,420	840,310	820,129	936,575	1,093,504	1,029,446
Truck and trailer chassis and bodies.....	285,000	262,500	226,100	212,821	224,960	218,661
<b>MISCELLANEOUS EXCISE TAXES, TOTAL</b> .....	<b>2,769,138</b>	<b>2,913,761</b>	<b>1,789,468</b>	<b>2,447,276</b>	<b>2,752,737</b>	<b>2,565,390</b>
Telephone and teletype .....	753,893	747,522	716,600	736,200	752,200	807,100
Air transportation .....	990,156	1,156,766	922,597	1,061,155	1,159,109	1,175,434
Highway use tax .....	304,848	47,668	132,168	100,593	312,694	41,417
Foreign insurance .....	24,893	23,000	15,700	4,400	26,700	28,293
Exempt organization net investment income.....	58,474	27,772	28,254	71,469	55,502	22,402
Crude oil windfall profit <sup>6</sup> .....	169,878	314,318	-514,132	-38,710	-186,582	-67,267
Environmental taxes <sup>7</sup> .....	333,285	524,246	376,871	363,531	464,811	399,051

See notes following Table 20.

# Selected Historical and Other Data

**Table 19.—Selected Returns and Forms Filed or to be Filed by Type During Specified Calendar Years, 1970-1992**

Type of return or form	Number filed in calendar year--						
	1970 (1)	1975 (2)	1980 (3)	1985 (4)	1990 (5)	1991 (6)	1992 (Projected) (7)
<b>Individual income <sup>1</sup></b> .....	<b>77,281,384</b>	<b>84,026,785</b>	<b>93,196,076</b>	<b>99,704,246</b>	<b>112,596,000</b>	<b>114,133,835</b>	<b>115,315,500</b>
Form 1040.....	77,143,251	61,450,279	55,360,030	64,010,068	74,488,600	74,685,853	77,377,600
Nonbusiness.....	68,129,351	51,377,153	43,957,141	49,873,300	58,318,300	58,067,480	60,328,400
Business.....	9,013,900	10,073,126	11,402,889	14,136,768	16,170,200	16,618,373	17,049,200
Schedule C.....	6,351,304	7,438,968	8,944,298	11,767,348	14,149,000	14,626,176	N/A
Schedule F.....	2,662,596	2,634,158	2,458,591	2,369,420	2,021,300	1,992,197	N/A
Form 1040A.....	N/A	22,462,776	37,692,282	18,779,084	18,380,000	21,784,926	20,436,800
Form 1040EZ.....	N/A	N/A	N/A	16,739,767	19,436,400	17,358,394	17,144,300
Other.....	138,133	113,730	143,764	175,327	291,000	304,662	356,800
<b>Corporation income <sup>2</sup></b> .....	<b>1,772,600</b>	<b>2,132,758</b>	<b>2,675,704</b>	<b>3,437,249</b>	<b>4,319,500</b>	<b>4,374,238</b>	<b>4,487,100</b>
Forms 1120, L, M and PC.....	1,523,664	1,762,920	2,115,542	2,432,265	2,334,600	2,257,779	2,217,200
Form 1120A.....	N/A	N/A	N/A	199,665	332,000	336,112	336,100
Form 1120S.....	248,936	367,219	528,070	736,945	1,536,100	1,863,777	1,813,200
Other.....	-	2,619	32,092	68,374	116,800	116,570	120,700
<b>Partnership, Form 1065</b> .....	<b>991,904</b>	<b>1,132,839</b>	<b>1,401,567</b>	<b>1,755,339</b>	<b>1,750,900</b>	<b>1,652,276</b>	<b>1,624,500</b>
<b>Fiduciary, Forms 1041 and 1041S <sup>2</sup></b> .....	<b>1,149,445</b>	<b>1,564,200</b>	<b>1,881,800</b>	<b>2,124,969</b>	<b>2,680,900</b>	<b>2,778,717</b>	<b>2,839,100</b>
<b>Estate Tax, Forms 706 and 706NA<sup>1</sup></b> .....	<b>141,156</b>	<b>225,827</b>	<b>147,303</b>	<b>80,768</b>	<b>60,810</b>	<b>64,632</b>	<b>69,700</b>
<b>Gift Tax, Form 709</b> .....	<b>146,338</b>	<b>273,184</b>	<b>214,789</b>	<b>97,720</b>	<b>147,700</b>	<b>156,784</b>	<b>168,900</b>
<b>Exempt Organization<sup>5</sup></b> .....	<b>387,469</b>	<b>403,809</b>	<b>442,607</b>	<b>454,097</b>	<b>487,400</b>	<b>519,605</b>	<b>541,400</b>
Forms 990 and 990EZ.....	377,030	346,627	362,632	365,506	359,700	384,963	401,300
Form 990-PF.....	N/A	29,637	33,137	32,005	44,700	46,727	48,200
Form 990-T.....	5,046	19,683	23,455	26,181	39,100	41,153	42,800
Forms 990C, 4720 and 5227.....	5,393	7,862	23,383	30,405	43,900	46,762	49,100

See notes following Table 20.

**Table 20.—Taxpayers Receiving Assistance, Paid and Unpaid, Tax Years 1987-1991**

[Some estimates based on samples—all amounts are in thousands of dollars]

Type of assistance	Tax year				
	1987	1988	1989	1990	1991
	(1)	(2)	(3)	(4)	(5)
<b>Returns with paid preparer signature: <sup>1</sup></b>					
All returns.....	50,991	51,507	52,808	54,499	n.a.
1040EZ.....	836	887	725	648	n.a.
1040A.....	3,922	4,290	3,885	4,801	n.a.
1040, total.....	46,232	46,330	48,197	49,049	n.a.
1040 Business, total.....	11,398	11,570	12,092	10,723	n.a.
Nonfarm.....	9,824	9,981	10,371	9,025	n.a.
Farm.....	1,575	1,590	1,721	1,697	n.a.
1040 Nonbusiness, total.....	34,834	34,759	36,105	36,629	n.a.
With itemized deductions.....	16,965	14,929	17,002	17,249	n.a.
Without itemized deductions.....	17,868	19,831	19,103	19,380	n.a.
Electronically filed <sup>2</sup> .....	n.a.	n.a.	n.a.	4,715	n.a.
<b>Assistance provided by IRS:<sup>3</sup></b>					
Telephone inquiries.....	38,526	36,982	33,906	35,100	34,951
Recorded telephone information.....	13,405	27,812	22,178	28,880	32,334
Office walk-ins, information.....	7,408	7,008	7,104	7,173	7,247
Written inquiries.....	166	187	172	188	202
Special programs:					
Community classes and seminars (taxpayers assisted).....	1,013	952	722	924	711
Volunteer Income Tax Assistance (VITA) (returns prepared).....	387	404	463r	402r	403p
Tax Counseling for the Elderly (returns prepared).....	377	419	447r	496	516p

See notes on following pages.

## Notes to Selected Historical and Other Data Tables

### General notations and statement

N/A - Not applicable.

n.a. - Not available.

p - Preliminary.

r - Revised.

\* - See "Appendix—SOI Sampling Methodology and Data Limitations."

Detail may not add to totals because of rounding.

### Table 1

- [1] Less deficit. Starting with 1987, data are not comparable with earlier years because of major changes in the law, many of which are referred to in other footnotes.
- [2] Not included in AGI.
- [3] Starting with 1987, represents total dividends; previously, represented total dividends after statutory exclusion.
- [4] Starting with 1987, losses are after "passive loss" limitation.
- [5] Starting with 1987, represents total capital gains; previously, represented total capital gains after statutory exclusion. For other changes affecting capital gains, see *Statistics of Income—Individual Income Tax Returns*, various years.
- [6] Before 1980 and starting again with 1988, excludes Individual Retirement Arrangement (IRA) distributions; for intervening years, pensions and IRA distributions in AGI were reported together. Effective during 1986, the more liberal of the two methods of computing the nontaxable portion of pensions and annuities (representing taxpayer contributions to certain pension plans) was repealed.
- [7] Starting with 1987, represents total unemployment compensation; previously, all or part was excludable under certain conditions.
- [8] Excludes sole proprietorship (including farm) rental income or loss. Starting with 1987, rental losses are before "passive loss" limitation and, therefore, exceed the amount included in AGI.
- [9] Excludes certain royalties included in computations of capital gain or loss and of ordinary gain or loss, sales of noncapital assets.
- [10] Amounts for net income are actually for net income (less loss). Net income and loss were not separately

tabulated. Also, number of returns shown as with net income were rounded to millions during processing; the more exact number is not available. See also footnote 4.

- [11] See footnote 4.
- [12] Includes adjustments not shown separately in this table. Starting with 1987, excludes employee moving and certain other business-related expenses, deduction for married two-earner couples and certain alimony payments, but includes self-employed health insurance deduction; see also footnote 13. Starting with 1990, includes new deduction for one-half of self-employment (social security) tax. For changes in adjustments for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [13] Deductible Individual Retirement Arrangement (IRA) contributions, reflected in adjustment statistics starting with 1980, were limited starting with 1987.
- [14] Includes exemptions for blindness repealed effective 1987.
- [15] In general, represents the sum of standard and itemized deductions. For 1980 and 1985 data, includes total itemized deductions before subtraction of "zero bracket amount," plus, for non-itemized deduction returns, the zero bracket amount and, for 1985 data only, charitable contributions deduction. Starting with 1987, includes revised itemized deductions (see also footnotes 17-20), "basic" standard deduction and "additional" standard deductions for age 65 and over or for blindness (for changes in the standard deduction and its relation to the zero bracket amount, see *Statistics of Income—Individual Income Tax Returns* for appropriate years). Statistics for 1987-1989 exclude zero bracket amount reported on the small number of prior-year returns filed in 1988-1990, respectively.
- [16] For 1980 and 1985 data, represents "zero bracket amount" used on returns of non-itemizers; see also footnote 21. Statistics for 1987-1989 exclude zero bracket amount reported on the small number of prior-year returns filed in 1988-1990, respectively.
- [17] Includes itemized deductions not shown separately in this table, including revised deductions, starting with 1987, for miscellaneous expenses after limitations and for employee moving expenses; see also footnotes 18-20. For changes in deductions for earlier years, see *Statistics of Income—Individual*

## Notes to Selected Historical and Other Data Tables

### *Income Tax Returns.*

- [18] Deductible medical and dental expenses were limited, starting with 1987, based on a revised percentage of AGI. For changes in the deduction for 1987 and earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [19] Starting with 1987, State sales taxes were no longer deductible.
- [20] Starting with 1987, deductions for “personal” interest and mortgage real estate loan interest were limited.
- [21] For 1980 and 1985 data, taxable income includes the “zero bracket amount,” repealed effective 1987 and partially replaced by standard deductions which were subtracted in computing taxable income. A standard deduction was similarly used prior to 1980. For the percentages of AGI used for the standard deduction and the limitation on the deduction, see *Statistics of Income—Individual Income Tax Returns*.
- [22] Different tax rate structures applied to Tax Years 1970, 1971-1978, 1979-1980, 1981, 1982, 1983, 1984, 1985-1986, 1987 and 1988-1990. Indexing of tax rates for inflation was introduced starting with 1985. Preferential maximum tax rates on long-term capital gains (under “alternative tax”) were redefined over the years; alternative tax was abolished effective 1987, but a maximum capital gains rate slightly less than the regular rate continued to apply under certain conditions. For additional information on changes affecting tax computations, see *Statistics of Income—Individual Income Tax Returns* for the years concerned.
- [23] For 1970, includes surcharge of \$2,018,078,000.
- [24] Includes credits not shown separately in Table 1, such as the political contributions credit (repealed effective 1987), earned income credit (liberalized starting 1987) and low-income housing credit (introduced effective 1987); see also footnote 25. For changes in credits allowed for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [25] Investment credit was included in the more-inclusive general business tax credit starting with 1984. With exceptions, investment credit was repealed effective 1986.
- [26] The add-on “minimum tax” on “tax preferences”

(chief among which were long-term capital gains) was introduced starting with 1970. (This tax was formerly described in *Statistics of Income* as the “additional tax for tax preferences.”) The minimum tax computation, using a base related to taxable income, was revised and the tax rate increased effective 1976. The number of preferences subject to tax was also revised effective 1976 and 1981. Starting with 1979, two major preferences formerly subject to minimum tax (including long-term capital gains) were subjected, instead, to the new “alternative minimum tax” (AMT) which required taxpayers to pay the larger of the regular income tax or AMT. Computation of AMT was revised effective 1980 (to allow tax to be reduced by certain credits) and, again, effective 1981 (to modify the graduated rate structure). Minimum tax was abolished effective 1983 and many of the tax preferences still subject to this tax subjected, instead, to a revised AMT. AMT was increased starting with 1983 by introduction of a single tax rate which replaced the two graduated rates that were lower; the single rate was increased effective 1987. (Preferential tax treatment of long-term capital gains was removed effective 1987, and the gains exempted from AMT.)

- [27] Includes refunds and credits to the following year’s estimated tax, and refundable portion of earned income credit. Reflects overpayments of income tax, tax recapture of certain prior-year tax credits, tax applicable to Individual Retirement Arrangements (IRA’s), self-employment (social security) tax, social security tax on certain tip income and certain other income-related taxes (for the taxes applicable to the years shown, see *Statistics of Income—Individual Income Tax Returns*).

- [28] Reflects taxes mentioned in footnote 27.

SOURCE: *Statistics of Income—Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### **Table 2**

- [1] Includes returns with adjusted gross deficit.
- [2] U.S. totals in Table 2 do not agree with Tables 1 and 3 because they were obtained from a different source. In addition, for purposes of Table 2:
- a. “Number of exemptions” also includes responses

## Notes to Selected Historical and Other Data Tables

of taxpayers who checked the boxes on their tax return for age 65 or over or for blindness in order to claim the additional standard deductions for age or blindness. This treatment enables some comparability to be maintained between State data for 1987-1989 and data for years prior to 1987. Number of exemptions are still understated, however, because these boxes are not checked if taxpayers itemize deductions. (Prior to 1987, checking these boxes entitled taxpayers to additional personal exemptions.)

- b. "Itemized deductions" includes any amounts reported by the taxpayer that were not used in computing taxable income.
- c. "Total tax liability" includes income tax after credits, alternative minimum tax, tax recapture of prior-year investment or low-income housing credits, tax applicable to Individual Retirement Arrangements (IRA's), self-employment (social security) tax, social security tax on certain tip income and certain other income-related taxes. Total tax liability is before reduction by earned income credit (see footnotes 2(d) and 3, below).
- d. "Earned income credit" includes both the refundable and nonrefundable portions. The nonrefundable portion could reduce income tax and certain related taxes to zero. See also footnote 3.

- [3] "Excess earned income credit" represents the refundable portion of the credit (see footnote 2(d)) and equals the amount in excess of total tax liability (defined in footnote 2(c)), including any advance earned income credit payments for those returns which had such an excess.
- [4] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by members of the armed forces stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside of Puerto Rico or with income earned as U.S. Government employees.

NOTE: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1991. Data have not been edited for Statistics of Income purposes.

SOURCE: Internal Revenue Service, Corporate Systems Division, Individual Systems Branch.

### Table 3

- [1] There were major changes in filing requirements and conceptual changes in the definitions of adjusted gross income (AGI) and taxable income starting with 1987. Percentages based on AGI starting with 1987 are therefore not comparable with 1986 and earlier years. For explanations, see "Individual Income Tax Returns, Preliminary Data 1987," *Statistics of Income Bulletin*, Spring 1989, Volume 8, Number 4, and *Statistics of Income—1987, Individual Income Tax Returns*.
- [2] Includes income tax after credits and the "alternative minimum tax" (see footnote 4).
- [3] Includes returns with adjusted gross deficit.
- [4] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in adjusted gross income or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax").

SOURCE: *Statistics of Income—Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 4

- [1] Imputed interest received by persons from life insurance carriers and private non-insured pension plans.
- [2] Represents income of low-income individuals not required to file individual income tax returns, unreported income and statistical errors or omissions.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*, 1986, and *The National Income and Product Accounts of the United States, Volume 2, 1959-88, 1992*; for years after 1988, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Tables 5 and 6

- [1] See Table 4 for the differences between personal income and adjusted gross income.

## Notes to Selected Historical and Other Data Tables

- [2] Beginning with 1987, data are not comparable with earlier years because of major changes in the definition of adjusted gross income.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*, 1986, and *The National Income and Product Accounts of the United States, Volume 2, 1959-88, 1992*; for years after 1988, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 7

- [1] Returns with standard deduction, 1955-1988, include a small number with no adjusted gross income and no deductions. (For 1977-1986, standard deduction is the "zero bracket amount," which was also reported on a small number of returns included in the 1987-89 statistics; see footnote 2.) For 1944-1954, returns with no adjusted gross income are included in the number of returns with itemized deductions.
- [2] Amount of standard deduction for 1944-1957 was estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of tax returns by income classes and marital status in *Statistics of Income—Individual Income Tax Returns*, and for 1958-1988 was obtained directly from Statistics of Income tabulations for these years. Represents "zero bracket amount" for 1977-1986. Starting with 1987, represents the sum of "basic" and "additional" standard deductions (for age 65 and over and for blindness); also includes zero bracket amount reported on the small number of prior-year returns filed in 1988-1990 that were included in the 1987-1989 statistics.
- [3] Sum of standard and itemized deductions, plus charitable deduction reported on standard deduction returns for Tax Years 1982-1986. For 1987-1989, total deductions also include "zero bracket amount" reported on a small number of returns (see footnote 2).
- [4] See footnote 2, Tables 5 and 6.
- [5] For 1977-1986, itemized deductions are before subtraction of "zero bracket amount."

SOURCE: Except as indicated in footnote 1, *Statistics of*

*Income—Individual Income Tax Returns*, and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 8

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Taxable income excludes the "zero bracket amount" for 1977-1986. Because of major changes in law, taxable income starting with 1987 is not comparable with earlier years. See also footnote 21, Table 1.
- [3] For the definition of total income tax, see footnote 26, Table 1.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*, 1986, and *The National Income and Product Accounts of the United States, Volume 2, 1959-88, 1992*; for years after 1988, *Survey of Current Business*, various issues; and *Statistics of Income—Individual Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 9

SOURCE: *Statistics of Income—Individual Income Tax Returns*, and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 10

- [1] Number of businesses, rather than number of returns, for years prior to 1981.
- [2] Total deductions includes disallowed "passive losses." Therefore, business receipts minus total deductions does not equal net income (less deficit).

SOURCE: *Statistics of Income—Sole Proprietorship Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer issues (for most years). Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific

## Notes to Selected Historical and Other Data Tables

Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 11

- [1] Total assets, total liabilities and partners' capital account are somewhat understated because not all partnership returns included a complete balance sheet.
- [2] Short-term debt is the abbreviated title for mortgages, notes and bonds payable in less than 1 year.
- [3] Long-term debt is the abbreviated title for mortgages, notes and bonds payable in 1 year or more. In addition, for Tax Year 1975, long-term debt included nonrecourse loans.
- [4] Prior to 1981, "total receipts" included gross income from farming, rents and royalties. Expenses related to this income were included under "total deductions." Starting with 1981, only the *net* incomes or deficits from farming, rents and royalties were tabulated; the positive amounts were included under "total receipts," and the negative amounts under "total deductions." The related expenses were not tabulated. In addition, starting with 1987, total receipts also includes certain "portfolio income" (interest, dividends and royalties) distributable to partners, not all of which was previously reported as receipts. Portfolio income from capital gains is excluded to improve comparability with earlier years.
- [5] Starting with 1987, "business receipts" represents gross receipts from sales and operations and, for partnerships in finance, insurance and real estate, investment income, such as interest, dividends and rents (but not capital gains). Also, in finance, insurance and real estate prior to 1981, only gross rentals reported as investment income were treated as business receipts and only if they were the principal operating income.
- [6] For 1982-1986, also includes certain dividends reported in combination with interest.
- [7] After 1980, represents the more complete amounts reported in depreciation computation schedules rather than the amounts reported as the depreciation deduction (augmented by depreciation identified for the statistics in cost of sales and operations schedules).

SOURCE: *Statistics of Income—Partnership Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). Data are subject to sampling error. Tax law and tax form changes affect

the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 12

- [1] Size classes are based on business receipts, i.e., gross amounts from sales and operations, for industries except those in finance, insurance and real estate. For the latter industries, total receipts, which is the sum of business receipts and investment income, was used. For partnerships, comparability of data by size of receipts is affected by revisions to the definition of receipts; see also footnotes 4 and 5, Table 11. To help minimize the break in comparability caused by the change in statistical treatment of partnership farm and rental income, an effort was made for 1981-1987 only, to include rental (though not farm) gross income in the receipts used for the size distribution in Table 12. Starting with 1988 though, only partnership net rentals are reflected in the size distribution.
- [2] Includes returns with no business receipts.
- [3] Includes corporations and partnerships with zero assets and liabilities. In addition, for partnerships, includes partnerships without balance sheet information (see also footnote 5, below).
- [4] See footnote 4, Table 11.
- [5] Prior to 1979, partnerships that had liquidated were assumed to have zero assets and liabilities, even if their balance sheets showed otherwise, and were included in the "under \$25,000" asset size class. Beginning with 1980, balance sheet data for liquidated partnerships were tabulated as reported and were included in the appropriate asset size classes.
- [6] See footnote 1, Table 10.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, *Statistics of Income—Partnership Returns*, *Statistics of Income—Sole Proprietorship Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 13

- [\*] Estimate should be used with caution because of the small number of sample returns on which it is based.
- [1] Starting with 1988, number of returns excludes those

## Notes to Selected Historical and Other Data Tables

filed by Foreign Sales Corporations (FSC's) and Interest Charge-Domestic International Sales Corporations (IC-DISC's); see also footnotes 5 and 6, below. Because of the omission of these returns, totals for all income and financial items shown in the statistics (except those not applicable to IC-DISC's and FSC's, such as "income subject to tax," "income tax" and tax credits) are slightly understated.

[2] Consolidated returns were filed on an elective basis for affiliated groups of corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates.

[3] Included in "Number of returns, total" and "Number with net income."

[4] In general, small corporations that elect to be taxed at the shareholder level, with no more than 35 shareholders (10 prior to 1983), most of them individuals.

[5] Domestic International Sales Corporations (DISC's) were designed to promote U.S. exports. They were taxed through parent corporations, but only when profits were distributed or deemed distributed to them. This system of tax deferral was generally replaced after 1984 with a new system of Foreign Sales Corporations (FSC's); see footnote 6. Tax benefits of DISC's remaining after 1984 were limited and an interest charge for tax deferred amounts was imposed on the parent corporations.

[6] Foreign Sales Corporations (FSC's) generally replaced DISC's as a means of promoting U.S. exports (see footnote 5). Under the FSC provisions, a portion of these subsidiaries' "foreign trade income" was exempt from U.S. income tax.

[7] For 1980 and 1985 data, tax-exempt securities, representing investments in State and local Government obligations, were reported with investments in U.S. Government obligations as a combined total on the tax return. Starting with 1989, tax-exempt securities were again reported separately, but were defined to include, not only investments in State and local Government obligations, but also stock in investment companies that distributed dividends during the current year representing tax-exempt interest on such obligations.

[8] Starting with 1987, statistics for receipts, deductions and net income (or deficit) of S Corporations are limited to those attributable to a trade or business.

Therefore, investment or portfolio income (or loss), such as from interest, dividends, rents, royalties and gain (loss) from sales of investment property, and the deductions related to this income, are excluded from net income (and allocated directly to shareholders).

[9] Starting with 1987, "business receipts" includes the full amount reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers and operative builders, even when they bought and sold securities, commodities and real estate on their own account. Previously, such transactions were treated as "net gain (loss), noncapital assets."

[10] Includes dividends reported in combination with interest on Form 1120-S by S Corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 4). Based on prior years when Form 1120-S required each to be reported separately, nearly all of the combined amount represents interest.

[11] For the 1985 statistics, "other deductions" includes depletion and employer contributions to pension, profit-sharing, stock bonus and annuity plans, and to employee benefit programs, reported on the Form 1120-A short form. Starting with 1988, identifiable amounts reported on Form 1120-A for any of these items are included in the statistics for the appropriate deduction.

[12] For most years, "income subject to tax" (the corporate tax base) exceeds "net income less deficit" chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined as net income minus certain statutory special deductions); prior to 1988, a variation of this base in combination with net long-term capital gains in certain situations when the lower capital gains tax applied; and the special tax base applicable to S Corporations, insurance businesses and, formerly, to certain investment companies. Profits of Domestic International Sales Corporations were tax-deferred; most of those of qualifying Foreign Sales Corporations were tax-exempt and those of S Corporations were taxed (with few exceptions) through their individual shareholders, so that the net income of these



## Notes to Selected Historical and Other Data Tables

corporations is excluded from income subject to tax.

[13] Includes surcharge of \$784,437,000.

[14] Different tax rate structures applied for Tax Years 1970, 1971-1974, 1975-1978, 1979-1981, 1982, 1983, 1984-1986, 1987 and 1988-1989. In general, starting with tax years beginning in 1987, "alternative tax" was repealed. This tax included a maximum rate on long-term capital gains that produced a tax that was less than the tax that would have resulted if the regular tax rates had been used.

[15] Effective with tax years beginning in 1987, the "alternative minimum tax" replaced the "minimum tax" (formerly referred to in the statistics as the "additional tax for tax preferences"), which was introduced for tax years that ended in 1970. The tax rate for minimum tax was increased and the computation revised starting with Tax Year 1976; computation was further modified effective with Tax Years 1977, 1983 and 1984. Tax preferences subject to the tax were redefined starting with Tax Year 1976, and slightly expanded starting with Tax Year 1977. The alternative minimum tax rate exceeded that applicable under the former minimum tax.

[16] General business credit includes alcohol fuel, investment, jobs and employee stock ownership plan (ESOP) credits which were reported separately for previous years. Also included are the research credit (starting 1986) and the low-income housing credit (starting 1987). With exceptions, investment credit was repealed effective 1986; employee stock ownership plan contributions credit was repealed effective 1987. For changes in definitions of component credits, see *Statistics of Income—Corporation Income Tax Returns* for the years concerned.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 14

- [1] See footnote 1, Table 13.
- [2] See footnote 8, Table 13.
- [3] See footnote 10, Table 13.
- [4] See footnote 14, Table 13.

[5] See footnote 13 Table 13.

[6] In addition to regular tax (and to alternative tax for years prior to 1988), includes Personal Holding Company tax, tax from recapture of investment and work incentive (WIN) credits (for 1975 and 1980 data) and of low-income housing credit (starting with 1988), additional tax for tax preferences or "minimum tax" (for years prior to 1987), and "alternative minimum tax" and environmental tax (both starting with 1987). Also includes special taxes applicable to foreign corporations with income "effectively connected" with a U.S. business, S Corporations (defined in footnote 4, Table 13) and certain investment companies. Credits include those appropriate for the given tax year. See Table 13 and *Statistics of Income—Corporation Income Tax Returns* for the years concerned for more detailed explanations.

[7] See footnote 9, Table 13.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 15

- [1] Profits shown are without inventory valuation and capital-consumption adjustments.
- [2] For the definition of "income subject to tax," see footnote 12, Table 13.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*, 1986, and *The National Income and Product Accounts of the United States, Volume 2, 1959-88, 1992*; for years after 1988, *Survey of Current Business*, various issues; and *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Tables 16 and 17

- [1] Individual income tax collected by fiscal year includes that portion which was designated for the Presidential election campaign fund by taxpayers on their tax returns. Also included is the fiduciary income tax collected (from estates and trusts).

## Notes to Selected Historical and Other Data Tables

Fiduciary income tax collected *in 1991* was \$4.8 billion; *in 1991*, \$5.9 billion; *in 1989*, \$6.0 billion; *in 1988*, \$6.5 billion; *in 1987*, \$8.4 billion; and *in 1986*, \$4.5 billion. Presidential election campaign designations amounted to \$32.3 million *in 1991*, \$32.5 million *in 1990*, \$32.3 million *in 1989*, \$33.2 million *in 1988*, \$33.2 million *in 1987* and \$35.9 million *in 1986*.

- [2] Corporation income tax collected by fiscal year includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Total taxes collected from tax-exempt organizations were \$155.6 million *in 1991*, \$127.9 million *in 1990*, \$115.6 million *in 1989*, \$137.5 million *in 1988*, \$119.9 million *in 1987* and \$30.2 million *in 1986*.
- [3] Excise taxes are imposed on selected products, services and activities, such as on sales of alcohol and tobacco products and on the manufacture of gasoline. Statistics shown in Table 16 have been revised, starting with Fiscal Year 1988, to include alcohol and tobacco taxes, collection of which was transferred from the Internal Revenue Service to the Bureau of Alcohol, Tobacco and Firearms starting with that year.
- [4] Employment taxes include payroll taxes levied on salaries and wages, such as social security, railroad retirement and unemployment taxes; plus the self-employment tax imposed on "self-employment income."

NOTES: Refunds in Table 17 are associated with the taxes (including alcohol and tobacco taxes) described in footnotes 1-4, Tables 16. Collections (or refunds) are those made during time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied).

Collections represent the gross amounts before refunds and include amounts paid with the tax return; prior to filing the return (as applicable, income tax withheld by employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of examination and enforcement activities). Collections also include interest and penalties.

Refunds result chiefly from tax overpayments determined at time of filing a return. Also included are amounts subsequently determined as due the taxpayer as a result of an amended return or a claim for refund (including those produced by "net operating loss" and other carryback

adjustments from future taxable years); or as a result of initial return processing or of IRS examination and other activities. Individual income tax refunds are net of offsets under laws which require IRS to act as collection agent for delinquent payments owed various U.S. agencies under specific programs. All refund data include interest paid by IRS (*in 1991*, \$2.8 billion; *in 1990*, \$2.4 billion; *in 1989*, \$0.5 billion; *in 1988*, \$0.4 billion; *in 1987*, \$0.4 billion; and *in 1986*, \$0.5 billion).

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Case Processing Division, Accounting Branch.

### Table 18

- [1] Alcohol and tobacco taxes each include special (occupational) taxes prior to Fiscal Year 1988. Starting with Fiscal Year 1988, occupational taxes are excluded from the separate amounts shown for alcohol and for tobacco taxes, although they are reflected in the combined total for *all* alcohol and tobacco taxes.
- [2] Also includes lubricating oil taxes. Effective January 7, 1983, taxes on lubricating oil were repealed.
- [3] Effective January 1, 1984, taxes on tubes and tread rubber were repealed, and dealers holding taxable tires were assessed a one-time floor stock tax.
- [4] Effective January 7, 1983, the excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, taxes on motor vehicles are excluded.
- [5] Special fuels, total, includes taxes on diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Also, beginning with the quarter ending December 1983, taxes on motor vehicles are included.
- [6] Repealed effective August 23, 1988. Amounts reported for more recent time periods result from amended filings, delinquent taxes, examination activities and refunds.
- [7] Expired September 30, 1985; reimposed in January 1987.

NOTES: For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. Starting with 1980, the fiscal year was redefined as October of the previous calendar year through September of the year noted.

## Notes to Selected Historical and Other Data Tables

Starting with Fiscal Year 1988, additional detail on manufacturers' excise taxes, retailers' and special fuel taxes and miscellaneous excise taxes is available in the fourth quarter *Internal Revenue Report of Excise Taxes*; previously this information was published in the *Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service*. For additional detail on alcohol and tobacco taxes, see the Statistical Release, *Alcohol and Tobacco Tax Collections*, Bureau of Alcohol, Tobacco and Firearms, U.S. Department of the Treasury.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Case Processing Division, Accounting Branch; and Financial Management Service.

### Table 19

- [1] Form 1040 is the long form; 1040A, the short form. Form 1040 is for single taxpayers with no dependents. Schedule C is for reporting sole proprietorship businesses and Schedule F is for reporting farm income and expenses. "Other" includes Forms 1040C (departing aliens), 1040NR (nonresident aliens), 1040PR (self-employment tax, Puerto Rico) and 1040SS (self-employment tax), but excludes Forms 1040X (amended returns).
- [2] Form 1120 is the basic corporation income tax return; Form 1120A is the short form; Form 1120L is for life insurance companies; and Form 1120-S is for S Corporations (those electing to be taxed through their shareholders). Starting with Calendar Year 1988, the statistics include Form 1120-PC (property and casualty insurance companies), but exclude Form 1120-M (nonlife mutual insurance companies). "Other" includes Forms 1120F (foreign corporations), 1120 POL (certain political organizations) and 1120H (homeowners associations); starting with Calendar Year 1986, Forms 1120-FSC (Foreign Sales Corporations); and, starting with Calendar Year 1988, Forms 1120-REIT (real estate investment trusts) and 1120-RIC (regulated investment companies). "Other" excludes Forms 1120-DISC (Domestic International Sales Corporations) and IC-DISC (Interest-Charge Domestic International Sales Corporations), and Forms 1120X (amended returns).
- [3] Form 1041 is the regular fiduciary income tax return filed for estates and trusts; Form 1041S is the short form. For 1970, includes Form 1041A (trust accumulation of charitable trusts, information return).
- [4] Form 706 is the regular estate tax return; Form 706NA is for U.S. estates of nonresident aliens.

- [5] Form 990 is for tax-exempt organizations, except private foundations (Form 990-PF). Form 990EZ is the short form. Form 990-T is the income tax return filed for businesses conducted by tax-exempt organizations. Form 990-C is for farmers' cooperatives. Form 4720 is for computing the special excise taxes applicable to certain private foundations and Form 5227 is for split-interest trusts treated as private foundations. The 1970 total on the line for Forms 990 and 990EZ also includes Forms 990A filed for tax-exempt charitable organizations.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Research Division, Projections and Forecasting Group.

### Table 20

- [1] Number of returns with a paid preparer signature is based on different sources, depending on the year. For 1986, it was obtained by converting the Taxpayer Usage Study (TPUS) sample of individual income tax returns to the equivalent of the Statistics of Income (SOI) sample. (For additional information about the TPUS sample, see, for example, "Individual Income Tax Returns for 1991: Taxpayer Usage Study," *Statistics of Income Bulletin*, Fall 1992, Volume 11, Number 2.)

The adjustment for 1986 was made because the TPUS sample represented all returns filed only through April, while the SOI sample represented all returns filed throughout the entire calendar year. Except for counts of electronically-filed returns, data for 1990 covering the entire calendar year were obtained from the IRS Individual Master File (IMF) of all individual income taxpayers; for the counts of electronically-filed returns, see footnote 2. Data for 1989 were also based on the IMF, except for the number of returns with or without itemized deductions. For the latter returns, the data were estimated based on the 1989 TPUS sample. All data for 1987 and 1988 are estimated based on the SOI samples for those years.

- [2] Data on electronically-filed returns, shown separately for Tax Year 1990, are included in the counts for Form 1040 returns shown above in Table 20, for all years. Data for 1990 are based on the TPUS sample (see footnote 1) of returns filed, extended to cover the first 8 months of 1991. No adjustment was made for returns filed after the first 8 months on the assumption that few were likely to have been electronically filed during this time period.

## Notes to Selected Historical and Other Data Tables

[3] Data on IRS Taxpayer Service Programs are collected on a fiscal-year basis. In general, assistance rendered in a given fiscal year may be related to returns due on April 15th during that fiscal year and are for the tax year ending with the previous December. As a result, data in Table 20, which are presented on a tax year basis, are actually for a fiscal year. Therefore, data shown as for Tax Year 1991, for example, are actually for Fiscal Year 1992. For the data shown for Tax Year 1991, however, assistance provided in November and December 1992, were not available in time for inclusion in the *Bulletin*. Therefore, totals for 1991 are slightly understated and should be regarded as preliminary.

**NOTE:** Data on IRS assistance represent taxpayer contacts. Some taxpayers make more than one contact. The number of taxpayers assisted (in contrast to the number of contacts made) is not known.

**SOURCE:** Data on paid preparers were obtained from Statistics of Income and Taxpayer Usage Study samples, or from aggregates of all returns filed and processed through the Individual Master File (IMF) during a given calendar year as reported by the Internal Revenue Service Corporate Systems Division, Individual Systems Branch. Data on IRS assistance were compiled by the Taxpayer Service Division.

# SOI Sampling Methodology and Data Limitations

## Appendix

**T**his appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports (see the References at the end of this Appendix). More technical information is available, upon request, by writing to the Director, Statistics of Income Division, R:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

### Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on criteria such as: industry, presence or absence of a tax form or schedule, accounting period, State from which filed and various income factors or other measures of economic size (total assets, for example, is used for the corporation and partnership statistics). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years—3 for corporations because of the prevalence of fiscal (non-calendar) year reporting. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means in practice, that both the population and the sample size can differ from that planned. However, these factors do not compromise the validity of the estimates.

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity

of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated cost or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN) which is either the social security number (SSN) or the employer identification number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TIN's designed from one year's sample are for the most part selected for the next year's, so that a very high proportion of the returns selected in the current sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

### Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. Weights are, in general, computed by dividing the count of returns filed for a given stratum by the count of sample returns for that same stratum. "Weights" are used to adjust for the various sampling rates used—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "post-strata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these post-strata using additional population counts. The data on each return in a stratum are multiplied by that weight. To produce the tabulated estimates, these weighted data are summed to produce the published

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

*Information for this appendix was compiled by Bettye Jamerson, Coordination and Publications Staff, under the direction of Robert Wilson, Technical Advisor. Major contributions were made by Paul McMahon, Mathematical Statistics Team.*

## SOI Sampling Methodology and Data Limitations

statistical totals.

### Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in decimal form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 0.02, then the following arithmetic procedure would be followed to construct a 68 percent confidence interval estimate:

150,000	(sample estimate)
x 0.02	(coefficient of variation)
= 3,000	(standard error of estimate)
150,000	(sample estimate)
+ or - 3,000	(standard error)
= 147,000—153,000	(68 percent confidence interval)

Based on these data, the interval estimate is from 147 to 153 thousand returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95 percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Generally in the *Statistics of Income Bulletin* only conservative upper limit CV's are provided for frequency

estimates. These do, however, provide a rough guide to the order of magnitude of the sampling error.

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study, may be obtained on request by writing the Director, Statistics of Income Division, at the address given above.

### Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors and effects of an early cut-off of sampling. More extensive information on nonsampling error is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during statistical "editing" in order both to improve data consistency from return to return and to achieve definitions of the data items that are more in keeping with the needs of major users. In some cases not all of the data are available from the tax return as originally filed. Sometimes the missing data can be obtained through field followup. More often though, they are obtained through imputation methods. As examples, other information in the return or in accompanying schedules may be sufficient to enable an estimate to be made; prior-year data for the same taxpayer may be used for the same purpose; or data from another return for the same year that has similar characteristics may be substituted. Research to improve methods of imputing data that are missing from returns continues to be an ongoing process [1].

Quality of the basic data abstracted from the returns is

**In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.**

subjected to a number of quality control steps including 100-percent key verification. The data are then subjected to many tests based on the structure of the tax law and the improbability of various data combinations. Records failing these tests are then subjected to further

## SOI Sampling Methodology and Data Limitations

review and any necessary corrections are made. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically-processed returns as a further check [2].

Finally, before publication, all statistics are reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing and estimating.

### Tabular Conventions

Estimates of frequencies and money amounts that are considered unreliable due to the small sample size on which they are based are noted in SOI tables by an indicator. The presence of the indicator means that the sample rate is less than 100 percent of the population and that there are fewer than 10 sample observations available for estimation purposes.

A dash in place of a frequency or amount indicates that no sample return had that characteristic. In addition, a dash in place of a coefficient of variation for which there is an estimate indicates that all returns contributing to the estimate were selected at the 100-percent rate.

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses. These combinations and deletions are indicated in the tables.

### Notes

- [1] See, for example, Hinkins, Susan M., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in *1984 Proceedings of the American Statistical Association, Section on Survey Research Methods*. Other research efforts are included in *Statistical Uses of Administrative Records: Recent Research and Present Prospects*, Volume 1, Internal Revenue Service, March 1984.
- [2] Quality control activities for all SOI studies are published in a series of occasional reports. These reports provide detailed information relating to quality in all phases of SOI processing.

### References

For information about the samples used for specific SOI programs see:

*Statistics of Income—1989, Individual Income Tax Returns* (see especially pages 13-16).

*Statistics of Income—1989, Corporation Income Tax Returns* (see especially pages 9-18).

*Statistics of Income—1974-1987, Compendium of Studies of Tax-Exempt Organizations* (see information about the samples used at the end of each chapter).

*Statistics of Income—1984-1988, Compendium of Studies of International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns* (see information about the samples used at the end of each chapter).

*Statistics of Income Bulletin* (see each issue).

# SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0922

Project	Primary Analysts	Frequency and Program Content
<b>Americans Living Abroad:</b> 1991 Program	Melissa Redmiles	This periodic study is conducted every 4 years (every 5 years, after 1991). It covers foreign income and taxes paid, and foreign tax credit shown on individual income tax returns. Data are by size of adjusted gross income (AGI) and country.
<b>Corporation Foreign Tax Credit:</b> 1990 Program 1991 Program 1992 Program	Maggie Lewis Kimberly Veletto	This annual study provides data on foreign income and taxes paid and foreign tax credit reported on corporation income tax returns. Data are classified by industry (all years) and country (even-numbered years).
<b>Corporation Income Tax Returns:</b> 1990 Program 1991 Program 1992 Program	Victor Rehula Patrice Treubert Allison Clark Janice Washington Jonathan Shook	Basic data are produced annually and cover complete income statement, balance sheet, tax and tax credits and details from supporting schedules. Data are classified chiefly by industry group or asset size. (For the 1992 program, S Corporations are a separate study.)
<b>Environmental Excise Taxes (Superfund):</b> 1991 Program 1992 Program	Susan Mahler	The Superfund Amendments and Reauthorization Act of 1986 (SARA) replaced the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), authorizing the collection of environmental taxes, a type of excise tax. This study, published annually, is the only source of data that provides detailed tabulations by type of chemical.
<b>Estate Collation</b>	Barry Johnson	This periodic study links estate tax return data for decedents and beneficiaries. Income information for beneficiaries is available both for years preceding and following the decedent's death. Information on gift tax returns is available for the last 2 years of the decedent's life. The most recent study is based on decedents who died in 1982. The next study will be for decedents who died in 1989.
<b>Estate Tax Returns:</b> 1989-1991 Program	Barry Johnson	This annual study includes information on gross estate and its composition, deductions and tax; and information on the age, sex and marital status of the decedents. Basic estate tax return data by year in which returns are filed are produced every year. Other statistics are available on a year-of-death basis (approximately every 3 years).
<b>Exempt Organizations Business Income Tax Returns:</b> 1989 Program 1990 Program	Sara Boroshok Peggy Riley	This annual study includes tabulations of "unrelated business" income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The data file will also be linked with the Forms 990 and 990-PF data files of the tax-exempt organizations and private foundations.
<b>Foreign Corporations:</b> 1990 Program 1992 Program	Bill States Randy Miller	This periodic study, planned for every 2 years, provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry and country.



## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0922**

<b>Project</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Foreign Controlled Corporations:</b> 1989 Program 1990 Program 1991 Program	John Latzy	This annual study includes data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry.
<b>Foreign Recipients of U.S. Income:</b> 1991 Program	Randy Miller	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
<b>Foreign Sales Corporations (FSC):</b> 1991 Program	John Bradford	These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement and export-related data are tabulated annually through 1987, and then on a 4-year cycle.
<b>Foreign Trusts:</b> 1990 Program	Christine Ferguson	This periodic study, conducted every 4 years, provides data on foreign trusts that have U. S. persons as grantors, transferors or beneficiaries. Data include country where trust was created, value of transfer to the trusts and the year the trust was created.
<b>Individual Income Tax Return Public Use File</b>	Mario Fernandez	Microdata magnetic tape files, produced annually, contain detailed information obtained from the individual Statistics of Income program, with identifiable taxpayer information omitted to make the file available for public dissemination, on a reimbursable basis. (In addition to microdata files, specific tabulations from them are produced, also on a reimbursable basis.)
<b>Individual Income Tax Returns:</b> 1990 Program 1991 Program	Michael Strudler Marty Shiley	Basic data are produced annually and cover income, deductions, tax and credits reported on individual income tax returns and associated schedules, chiefly by size of adjusted gross income (AGI).
<b>Interest-Charge Domestic International Sales Corporations (IC-DISC):</b> 1991 Program	Kimberly Veletto	These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987, and then on a 4-year cycle.
<b>Intergenerational Wealth</b>	Martha Eller Barry Johnson Marvin Schwartz	This on-going study involves estate returns filed since the inception of the estate tax (1916), and focuses on changes in the concentration of wealth and the intergenerational transfer of wealth, as well as on the history of the estate tax system. The asset composition, available demographic information, and an analysis of beneficiaries of estates will be emphasized.
<b>International Boycott Participation:</b> 1990 Program 1991 Program	Melissa Redmiles	This study, planned for every 4 years, provides data on business operations of U. S. persons in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0922**

<b>Project</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Migration Flow and County Income Data</b>	Sandy Byberg	Migration flow data (based on changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis.
<b>Nonprofit Charitable and Other Organizations:</b> 1989 Program 1990 Program	Cecelia Hilgert Paul Arnsberger	This annual study includes balance sheet and income statement data for organizations classified as tax-exempt under sections 501(c)(3)-(9) of the Internal Revenue Code. The 1989 study will include data from the new Form 990-EZ.
<b>Nonresident Alien Estates:</b> 1990 Program	Christine Ferguson	This periodic study, planned for every 4 years, provides data on estates of nonresident aliens who had more than \$60,000 of assets in the United States. The estates are subject to U.S. estate taxation on U.S. property.
<b>Occupation Studies</b>	Bobby Clark Dodie Riley	This periodic study, based on availability of outside funding, is designed to classify individual income tax returns by occupation and to develop a dictionary of occupation titles that can be used to enhance the economic data of many other individual income tax return studies.
<b>Partnership Returns of Income:</b> 1991 Program 1992 Program	Tim Wheeler	Basic program data, produced annually, cover income statement, balance sheet and details from supporting schedules. Data are classified chiefly by industry group.
<b>Partnership Withholding Study:</b> 1991 Program	Kimberly Veletto	This annual study includes data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
<b>Personal Wealth Study:</b> 1986 Program 1989 Program	Marvin Schwartz Barry Johnson	This periodic study provides data estimates of personal wealth of top wealth-holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate data bases. The most recent data (1986) are based on returns filed from 1986 to 1988. The next study will be for 1989, based on returns filed in 1989, 1990 and 1991.
<b>Private Foundations:</b> 1989 Program 1990 Program	Alicia Meckstroth Peggy Riley	This annual study includes balance sheets and income statements. The 1989 study will include data on non-exempt charitable trusts. A compendium of previously published articles on tax-exempt organizations was published in July 1991.
<b>S Corporations:</b> 1992 Program	Amy Gill	Annual study provides data on the income statement, balance sheet and details from supporting schedules. Data are classified by industry group or by asset size.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0922**

Project	Primary Analysts	Frequency and Program Content
<b>Sales of Capital Assets:</b> 1985 Program 1985-90 Panel Study	Barbara Longton Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported on Schedule D of the individual income tax return, and sales of residences and personal or depreciable business property.  A panel study provides the same data on capital asset transactions for a subsample of the returns in the Sales of Capital Assets basic study, over a period of years.
<b>Sales of U.S. Real Property Interests by Foreign Persons:</b> 1992 Program	John Latzy	This annual study will provide data on transfers of U.S. real property interests when these interests are acquired from foreign persons. Data include the amount realized on transfers, U.S. tax withheld and the country of foreign persons.
<b>Sole Proprietorships:</b> 1989 Program 1990 Program 1991 Program	Michael Strudler Craig Ammon	Basic data, produced annually, cover the business receipts, deductions and net income reported on Schedule C (for nonfarm proprietors), by industry group. Similar data from Schedule F (for farmers) are available on an occasional basis.
<b>State Data:</b> 1985 Program 1988 Program	Mario Fernandez	Special tabulations of selected individual income, deduction and tax data by State are produced on a reimbursable basis. (The data file for 1988 is now available.)
<b>Statistical Subscription Services:</b> <b>Corporation Source Book</b>	Sandy Byberg	Annual data by more detailed industry groups than are used for the regular corporation statistics are produced by asset size.
<b>Tax-exempt Bond Issues:</b> 1990 Program 1991 Program	Marvin Schwartz	This annual study provides information on private activity and governmental bond issues by type of property financed, size of face amount and State.
<b>Taxpayer Usage Study:</b> 1991 Program	Laura Prizzi Jeff Curry	Basic data, produced annually, provide weekly frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, and general characteristics of the individual taxpayer population for returns received during the primary filing season (January through April).
<b>U.S. Possessions Corporations:</b> 1989 Program	John Bradford	This periodic study, planned for every 4 years, provides data on income statement, balance sheet, tax and "possessions tax credit" data for "qualifying" U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.)

# Publications & Tapes

## **Statistical Information Services:** **(202) 874-0410 or FAX (202) 874-0922**

The following *Statistics of Income* reports and tapes can be purchased from the Statistics of Income Division (unless otherwise indicated). Prepayment is required, with checks made payable to the IRS Accounting Section. For copies from the Statistics of Income Division, write:

Director, Statistics of Income Division (R:S)  
Internal Revenue Service  
P.O. Box 2608  
Washington, DC 20013-2608.

## **Business Source Books**

### **Corporation Source Book, 1989** *Publication 1053 – Price \$175.00*

This 481-page document presents detailed income statement, balance sheet, tax and selected items, by major and minor industries and size of total assets. The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased for \$175 (issues prior to 1982 are for sale at \$150 per year). A magnetic tape containing the tabular statistics for 1989 can be purchased for \$1,500.

### **Partnership Source Book, 1957-1983** *Publication 1289 – Price \$30.00*

This 291-page document shows key partnership data, for 1957 through 1983, by major and minor industries. It includes a historical definition of terms section and a summary of legislative changes affecting the comparability of partnership data during that period. Tables show:

- |                           |                             |
|---------------------------|-----------------------------|
| ■ number of partnerships; | ■ interest paid deductions; |
| ■ number of partners;     | ■ payroll deductions;       |
| ■ business receipts;      | ■ payments to partners;     |
| ■ depreciation;           | and                         |
| ■ taxes paid deductions;  | ■ net income less deficit.  |

A magnetic tape containing the tabular statistics for partnerships can be purchased for \$300 from the National Technical Information Service, U.S. Department of Commerce, Springfield, VA 22161. More recent partnership data are published annually in the *SOI Bulletin*.

### **Sole Proprietorship Source Book, 1957-1984** *Publication 1323 – Price \$95.00*

This *Source Book* is a companion to that for partnerships, described above. It is a 251-page document showing key proprietorship data for 1957 through 1984; data for farm proprietorships are excluded after 1981. Each page presents statistics for a particular industry. Tables show:

- |                          |                             |
|--------------------------|-----------------------------|
| ■ number of businesses;  | ■ interest paid deductions; |
| ■ business receipts;     | ■ payroll deductions; and   |
| ■ depreciation;          | ■ net income less deficit.  |
| ■ taxes paid deductions; |                             |

A magnetic tape containing the tabular statistics can be purchased for \$245. As with partnerships, more recent (nonfarm) sole proprietorship data are published annually in the *SOI Bulletin*.

## **Compendiums**

### **Studies of Tax-Exempt Organizations, 1974-1987** *Publication 1416 – Price \$26.00*

This publication presents 22 articles from *Statistics of Income* studies on tax-exempt organizations. The articles emphasize important issues within the nonprofit sector, and also include several other articles previously unpublished in the *SOI Bulletin*, as well as papers published in proceedings of the American Statistical Association and the Independent Sector Research Forum. Topics featured are:

- nonprofit charitable organizations (primarily charitable, educational and health organizations);
- private foundations and charitable trusts; and
- unrelated business income of exempt organizations.

### **Studies of International Income and Taxes, 1984-1988** *Publication 1267 – Price \$26.00*

This report presents information from 13 *Statistics of Income* studies in the international area (many of them previously published in the *SOI Bulletin*), including:

- foreign activity of U.S. corporations;
- activity of foreign corporations in the United States;
- foreign controlled U. S. corporations;

## Publications & Tapes

- statistics related to individuals, trusts and estates; and
- data presented by geographical area or industrial activity, as well as other classifiers.

### Reimbursable Services

(Prices are dependent on the request.)

#### Public Use Magnetic Tape Microdata Files

Included are individual income tax returns for 1978-1989. (Individual income tax returns for 1966-1977 are available from the Center for Electronic Records (NNX) of the National Archives and Records Administration, Washington, DC 20408.) Files containing more limited data for each State are also available for 1985. All of these files have been edited to protect the confidentiality of individual taxpayers. Files for private foundations for 1982-1983 and 1985-1988 and nonprofit charitable organizations for 1982-1983 and 1985-1988 are also available from the Statistics of Income Division. The individual, private foundation and charitable organization files are the only microdata files that can be released to the public.

#### Migration Data

Compilations are available showing migration patterns, from where to where, by State and county, based on year-to-year changes in the tax return address. Data are also available for selected time periods (according to the years in which returns were filed) between 1978 and 1990 and include counts of the number of individual income tax returns and personal exemptions. In addition, county income totals are available for Income Years 1982 and 1984 through 1989.

#### Other Unpublished Tabulations

Unpublished tabulations are also available, including detailed tables underlying those published in the *SOI Bulletin*. Special tabulations may also be produced, depending on the availability of SOI computer programming resources.

### Other Publications

The following *Statistics of Income* publications are available from the Superintendent of Documents, U.S. Government Printing Office. For copies, please use the order form following this section or write:

Superintendent of Documents  
P.O. Box 371954  
Pittsburgh, PA 15250-7954

#### Statistics of Income (SOI) Bulletin

*Quarterly, Publication 1136, Stock No. 748-005-00000-5*  
*Subscription price, \$23.00; Single copy price, \$6.50*

Provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and on partnerships, as well as from periodic or special studies of particular interest to tax analysts and administrators and to economists. Historical tables include data from SOI, as well as on tax collections and refunds by type of tax.

#### Statistics of Income – 1989, Corporation Income Tax Returns

*Publication 16, Stock No. 048-004-02316-4*  
*Price \$13.00*

This report presents more comprehensive and complete data on corporation income tax returns with accounting periods ended July 1988 through June 1989, than those published earlier in the *SOI Bulletin*.

Presents information on:

- receipts;
- deductions;
- net income;
- taxable income;
- income tax;
- tax credits;
- assets; and
- liabilities.

Data are classified by:

- industry;
- accounting period;
- size of total assets; and
- size of business receipts.

## Publications & Tapes

### **Statistics of Income – 1989, Individual Income Tax Returns**

*Publication 1304, Stock No. 048-004-02315-6*

*Price \$8.50*

This report presents more comprehensive and complete data on individual income tax returns for 1989 than those published earlier in the *SOI Bulletin*.

Presents information on:

- Sources of income;
- Exemptions;
- Itemized deductions;
- Tax computations;

Data are presented by:

- size of adjusted gross income; and
- marital status.

**Note:** If you determine from the Government Printing Office that any of the Statistics of Income publications listed above are out-of-print, please telephone the Statistical Information Services office, on (202) 874-0410, for assistance.

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