

# Internal Revenue Service

17,458,924	1,124,379	16,213,546	1,585,649	14,270,260
131,261,303	9,900,660	118,062,123	36,943,224	80,000,176
74,824,364	14,582,950	56,641,155	9,911,746	46,466,254
7,122,326	655,818	6,184,056	1,820,109	4,341,029
8,279,632	603,353	7,592,855	1,734,272	5,814,711
129,891,703	24,143,928	102,622,203	19,680,063	82,400,136
39,851,966	5,179,590	34,002,874	5,607,673	28,251,515

432,320	1,606,551,781	57,989,543
4,259,140	14,926,629	175,889
906,663	2,761,111	47,221
8,423,114	20,372,655	604,707
2,282,937	16,076,012	705,598
66,285,468	179,715,041	3,566,015
7,765,468	29,440,437	1,405,500
9,663,283	29,299,094	378,574
1,948,833	10,202,519	20,564
1,585,649	14,270,260	8,107
36,943,224	80,000,176	964,934
9,911,746	46,466,254	3,155,922
1,820,109	4,341,029	185,922
1,734,272	5,814,711	185,136
19,680,063	82,400,136	32,747
5,607,673	28,251,515	1,879,155
2,656,746	12,333,530	408,771
3,106,197	12,650,055	161,275
3,285,175	16,383,604	1,484,995
3,373,608	22,211,867	150,423
1,278,878	4,248,091	305,776
8,847,187	37,266,856	169,311
13,311,609	47,715,564	112,598
8,889,841	52,127,749	528,378
6,684,641	49,103,004	243,624
1,721,668	6,876,816	1,388,240
5,999,022	30,902,109	275,915
1,126,834	2,624,052	1,042,439
1,916,546	8,900,001	51,192
6,256,039	9,279,131	103,159
1,871,637	6,432,668	87,070
14,712,728	73,752,255	79,896
1,801,649	5,235,672	1,609,125
36,540,727	134,356,183	27,653
8,684,062	39,323,108	1,143,565
707,331	2,272,331	318,756
10,330,930	62,314,295	20,282
4,257,011	12,048,707	427,017
4,379,128	16,019,389	5,647,913
15,041,366	70,797,849	207,549
1,356,882	6,507,650	2,775,417
3,942,183	25,246,952	7,442
1,331,186	2,654,234	439,600
6,054,796	33,350,510	31,646
31,945,128	112,353,278	911,315
2,875,240	8,426,021	20,702,545
766,290	2,553,679	601,852
11,022,591	38,638,536	27,657
10,967,692	35,266,519	1,341,656
1,137,839	4,273,177	1,073,518
6,299,959	28,481,964	111,654
1,413,201	1,704,024	333,532
332,768	1,864,125	234,763
304,348	3,010,438	4,278
2,391,059	1,747,090	1,205
118,512	48,552	207,332
2,213,400	621,808	2,053
59,147	452,953	598,502
59,147	100,973	7,641
2,304,266	961,118	59,140
72,379,610	1,439,259	11,158,589
73,733,156	1,745,480	12,502,451
65,990,832	1,796,227	12,708,171
61,779,556	1,971,614	15,004,486
74,179,370	2,110,992	17,002,504

# DATA BOOK

# 2007

OCTOBER 1, 2006  
to  
SEPTEMBER 30, 2007



Department of the Treasury

## **Department of the Treasury**

### **Internal Revenue Service**

#### **Linda E. Stiff**

Acting Commissioner

#### **Mark J. Mazur**

Director, Research, Analysis, and Statistics

#### **Thomas B. Petska**

Director, Statistics of Income Division

#### **Thomas F. Nagle**

Acting Chief, Special Studies Branch

#### **Martha Eller Gangi**

Chief, Statistical Data Section

### **The IRS Mission**

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

# *Enforcement*

## INFORMATION REPORTING AND VERIFICATION

**T**he IRS uses tools other than examinations to identify and resolve taxpayer errors. In addition to receiving taxpayers' self-reported income and tax on those tax returns that are filed, the IRS receives independent information about income received and taxes withheld on information returns, such as Forms W-2 and 1099 from employers and other third parties. With its Automated Underreporter Program, the IRS matches these information returns to tax returns and contacts taxpayers to resolve discrepancies.

In the Automated Substitute for Return Program, IRS uses information returns to identify persons who failed to file a return, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. Table 14 provides information about these programs.

During the routine processing of tax returns, the IRS also checks for mathematical and clerical errors before refunds are paid. Table 15 shows the types of errors made on Tax Year 2006 returns processed during Calendar Year 2007.

**Table 14. Information Reporting Program, Fiscal Year 2007**

Item	Number or amount
<b>Number of information returns received (millions) [1]:</b>	
Total	1,825
Paper	58
Electronic	1,170
Magnetic tape	250
Other [2]	347
<b>Number of contacts (closed cases, millions) [3]:</b>	
Total	4.759
Underreporter program	3.403
Nonfiler (automated substitute for return) program	1.356
<b>Amount of additional assessments (million dollars):</b>	
Total	19,102
Underreporter program [4]	5,079
Nonfiler (automated substitute for return) program [5]	14,023
<b>Number of full-time equivalent employees:</b>	
Total	2,116
Underreporter program	1,742
Nonfiler (automated substitute for return) program	374

[1] Includes Forms 1098 (mortgage interest, student loan interest, and tuition payments); the 1099 series (including interest and dividend distributions); 5498 (individual retirement arrangement and medical savings account information); W-2 (wage and tax statements); W-2G (certain gambling winnings); and Schedules K-1 (partnership, S corporation, and estate or trust distributions). Information from these forms and schedules is matched to that reported on income tax returns.

[2] Reflects Forms 1099SA/RRB and W-2 from the Social Security Administration.

[3] Reflects the number of cases closed for which a notice has been issued to a taxpayer.

[4] Excludes interest and penalties.

[5] Includes interest and penalties assessed.

SOURCES: Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Strategy Systems Analysis & Workload Selection SE:S:CCS:CRC:SPSA; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching SE:S:CCS:CRC:DM; Small Business/Self-Employed, Campus Compliance Services, Filing and Payment Compliance, Filing Compliance SE:S:CS:CCS:FPC:FC; and Wage and Investment, Compliance Reporting Compliance, Policy, Monitoring, Analysis and Quality SE:W:C:RC:PMAQ

**Table 15. Number of Math Errors, by Type of Error, Calendar Year 2007**

Math error	Number [1]	Percentage of total
<b>Math error notices, total [2]</b>	<b>2,965,745</b>	<b>100.0</b>
<b>Math errors, total [2]:</b>	<b>3,885,505</b>	<b>100.0</b>
Tax calculation/other taxes [3]	924,054	23.8
Exemption number/amount	770,637	19.8
Earned income tax credit	540,768	13.9
Standard/itemized deduction	419,290	10.8
Adjusted gross/taxable income amount	297,858	7.7
Child tax credit	255,186	6.6
Refund/amount due	225,904	5.8
Other credits [4]	112,422	2.9
Filing status	109,121	2.8
Withholding or excess Social Security payments	102,084	2.6
Adjustments to income	65,110	1.7
Other [5]	63,071	1.6

[1] Data reflect Tax Year 2006 individual income tax returns processed in Calendar Year 2007. Excludes 653,852 math errors and 459,952 notices associated with prior-year returns processed in Calendar Year 2007.

[2] A math error notice to the taxpayer may address more than one type of math error. Therefore, the sum of errors exceeds the total number of notices.

[3] Includes all errors associated with the calculation and assessment of income taxes, as well as other taxes, such as self-employment tax, alternative minimum tax, and Schedule H tax.

[4] Encompasses all credits other than the Earned Income Tax Credit and Child Tax Credit, such as the Child and Dependent Care Credit, Credit for the Elderly, and General Business Credit.

[5] Includes miscellaneous errors and unique error types not programmed and captured by any other math error definitions.

SOURCE: Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files SE:W:CAS:SP:IMF:N