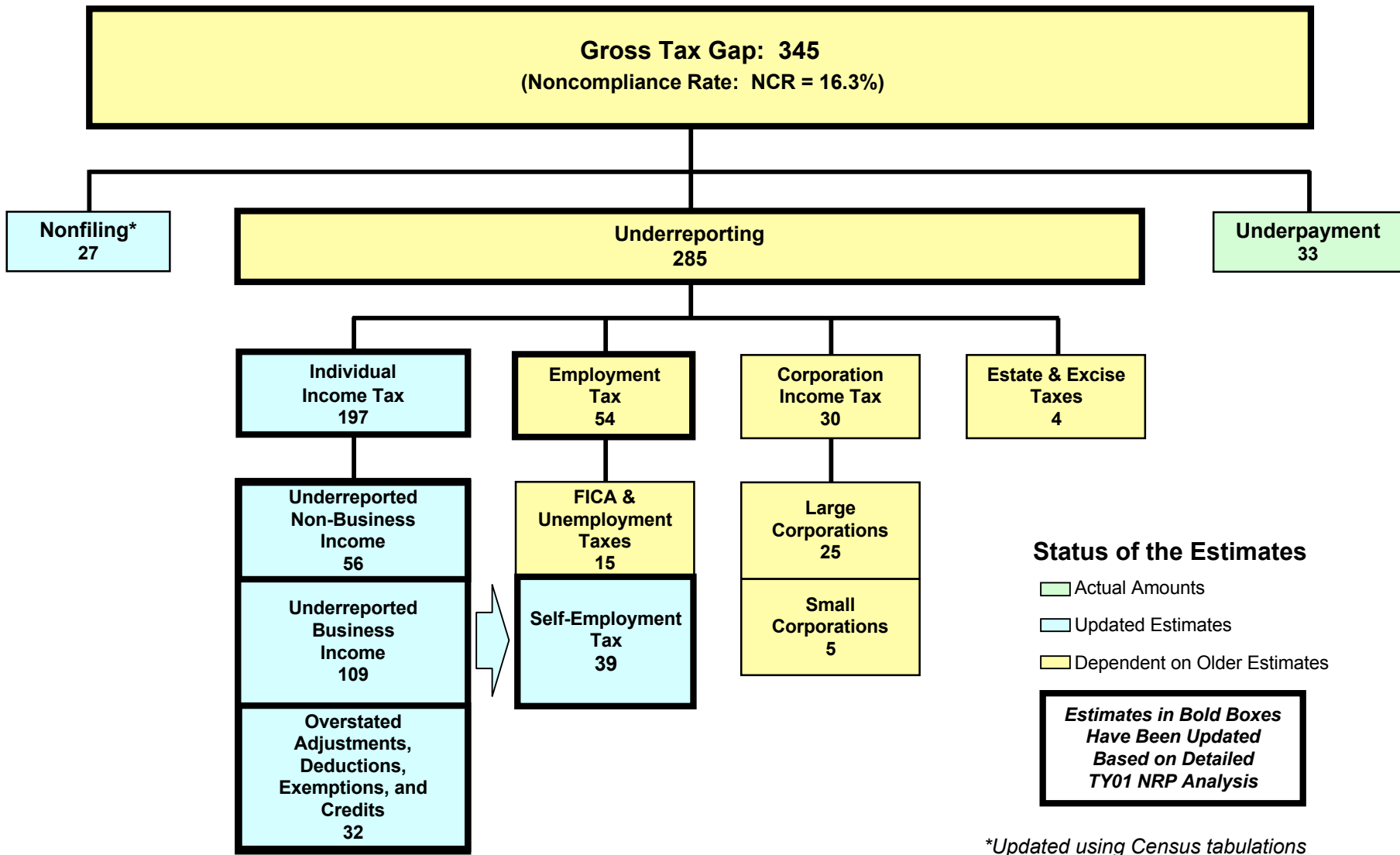


# Tax Year 2001 FEDERAL TAX GAP

(in Billions of Dollars)



### Status of the Estimates

- Actual Amounts
- Updated Estimates
- Dependent on Older Estimates

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

*\*Updated using Census tabulations*

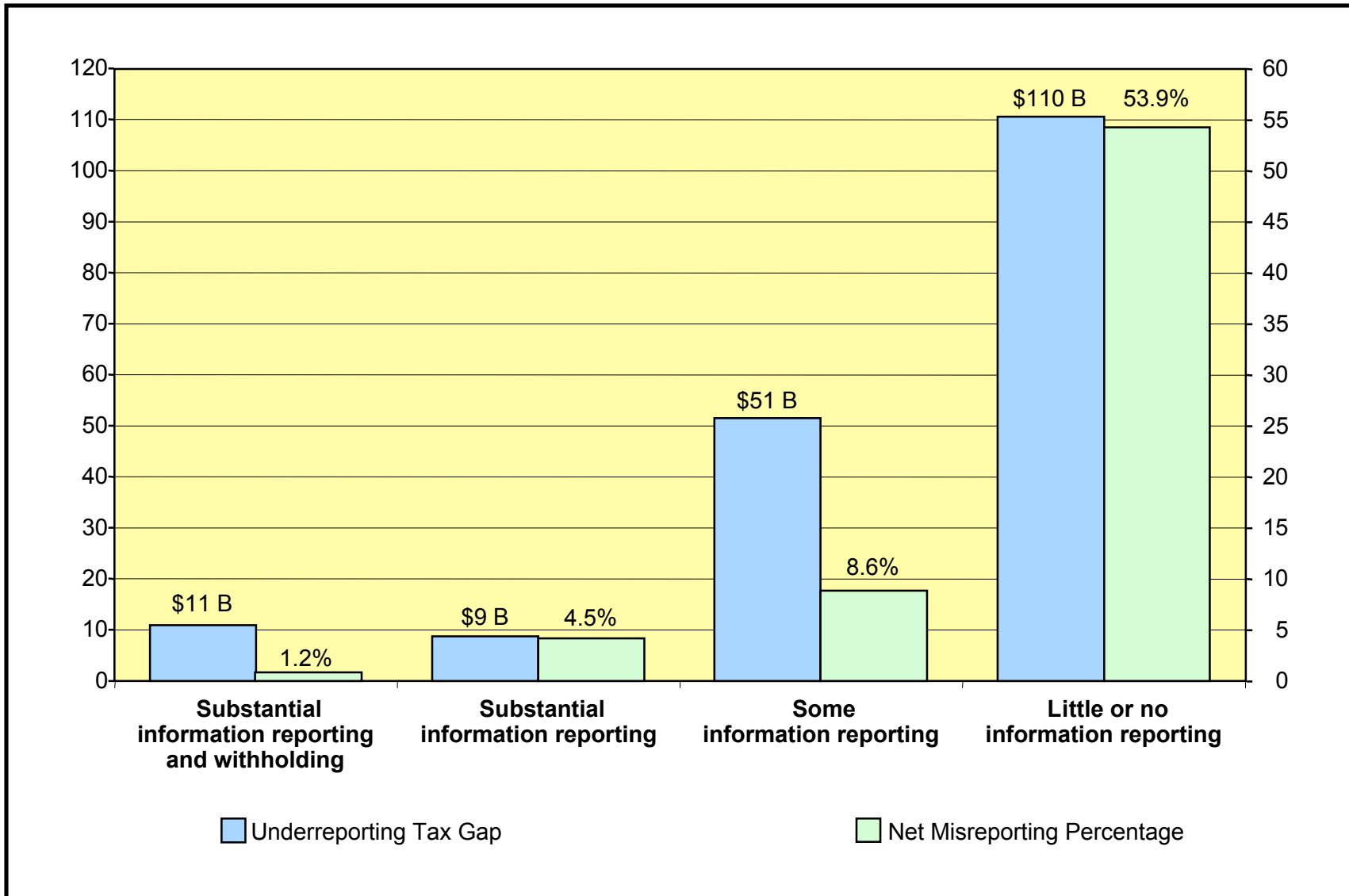
## Individual Income Tax Underreporting Gap Estimates, Tax Year 2001

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

† NMP = Net Misreporting Percentage, the amount of income or offset misreported divided by the amount that should have been reported.  
*Internal Revenue Service • 14 February 2006*

\* Less than \$0.5 billion.

# Individual Income Tax Underreporting Gap



# Individual Income Tax Underreporting Gap Little or No Information Reporting

(Dollars in Billions)

