

Table 475. Federal Individual Income Tax Returns— Sources of Net Losses Included in Adjusted Gross Income: 2004 to 2006

[5,194 represents 5,194,000. For tax years. Based on a sample of returns, see source and Appendix III]

| Item | 2004 | | 2005 | | 2006 | |
|--|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|
| | Number of returns (1,000) | Amount (mil. dol.) | Number of returns (1,000) | Amount (mil. dol.) | Number of returns (1,000) | Amount (mil. dol.) |
| Total net losses. | (NA) | 303,458 | (NA) | 319,587 | (NA) | 343,271 |
| Business or profession net loss. | 5,194 | 43,007 | 5,308 | 45,016 | 5,447 | 48,738 |
| Net capital loss ¹ | 11,513 | 25,492 | 10,023 | 22,137 | 8,642 | 18,752 |
| Net loss, sales of property other than capital assets. | 892 | 7,971 | 877 | 9,180 | 884 | 9,819 |
| Total rental and royalty net loss. | ² 4,380 | 38,466 | 4,554 | 43,988 | 4,658 | 49,927 |
| Partnership and S corporation net loss. | 2,498 | 82,697 | 2,539 | 89,694 | 2,597 | 102,747 |
| Estate and trust net loss | 36 | 1,436 | 36 | 1,654 | 45 | 1,942 |
| Farm net loss | 1,416 | 20,610 | 1,371 | 20,653 | 1,406 | 23,015 |
| Net operating loss ³ | 830 | 75,012 | 863 | 79,452 | 917 | 80,796 |
| Other net loss ⁴ | 359 | 8,768 | 346 | 7,811 | 347 | 7,535 |

NA Not available. ¹ Includes only the portion of capital losses allowable in the calculation of adjusted gross income. Only \$3,000 of net capital loss per return (\$1,500 for married filing separately) are allowed to be included in negative total income. Any excess is carried forward to future years. ² Includes farm rental net loss. ³ Net operating loss is a carryover of the loss from a business when taxable income from a prior year was less than zero. ⁴ Other net loss represents losses reported on Form 1040, line 21, except net operating loss and the foreign-earned income exclusion.

Source: U.S. Internal Revenue Service, *Statistics of Income Bulletin*, Fall issues.