

2010

INTERNAL  
REVENUE  
SERVICE

DATA  
BOOK

October 1, 2009 to September 30, 2010

## Department of the Treasury Internal Revenue Service

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### The IRS Mission

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

# Internal Revenue Service Data Book, 2010

This report describes activities conducted by the Internal Revenue Service during Fiscal Year 2010 (October 1, 2009, through September 30, 2010). It provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities.

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## Contents

Acknowledgements .....	ii
Letter from the Commissioner .....	iii
List of Statistical Tables .....	iv
Statistical Tables .....	3
Principal Officers of the Internal Revenue Service .....	74
Principal Officers of the Internal Revenue Service Office of Chief Counsel.....	76
Commissioners of Internal Revenue .....	77
Chief Counsels for the Internal Revenue Service .....	78
Internal Revenue Service Organization .....	<i>inside back cover</i>

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## The *Internal Revenue Service Data Book* Online

The *Internal Revenue Service Data Book* tables for the current year and previous years may be found on the IRS Internet site. The World Wide Web address is: [www.irs.gov/taxstats](http://www.irs.gov/taxstats). From the Web site, select "IRS Data Books" in the "Products, Publications & Papers" section. For additional information, contact Statistical Information Services at 202-874-0410 or e-mail [sis@irs.gov](mailto:sis@irs.gov).

# Letter from the Commissioner

I am happy to present this year's issue of the *Internal Revenue Service Data Book*, IRS's annual report that details the many ways in which the IRS effectively serves the American public. This issue of the report describes activities conducted by the IRS during Fiscal Year 2010 (October 1, 2009, through September 30, 2010).

During the fiscal year, IRS employees processed 230 million returns, including individual income, corporation income, and employment income tax returns. We provided \$467 billion in refunds to these taxpayers and collected \$2.3 trillion for the Federal government, provided taxpayer assistance through 305 million visits to IRS.gov, and assisted more than 78 million taxpayers through our telephone helpline or at walk-in sites. Of the 141 million individual income tax returns processed, almost 70 percent were filed electronically.

In 2010, IRS continued to implement the tax portions of the American Recovery and Reinvestment Act. IRS prepared systems and products in a timely manner, enabling taxpayers to take advantage of the ARRA provisions as soon as possible. Individual taxpayers benefited from the Making Work Pay Tax Credit, the First-Time Homebuyer Credit, and expanded COBRA health care coverage. And, we helped America's businesses, as they benefited from Net Operating Loss Carryback Adjustments that offset taxable income for the preceding 3 to 5 years.

Also in 2010, IRS pursued its international agenda to ensure that taxpayers cannot walk away from their responsibilities by hiding money in offshore accounts. Over the past few years, our voluntary disclosure program and enforcement efforts have brought thousands of taxpayers back into the system, and those numbers are growing.

We also focused on our workforce, making the best use of the talents that lie within our own organization. Our agency showed remarkable improvement in its rankings in the *Best Places to Work in the Federal Government* survey, getting us closer to my goal of making the IRS the best place to work in government.

IRS has much to be proud of as we look back at Fiscal Year 2010 and our work serving the American public. It is with pride that I give you this year's issue of the *IRS Data Book*.

*Commissioner of Internal Revenue*

**Douglas H. Shulman**

# List of Statistical Tables

## Returns Filed, Taxes Collected, and Refunds Issued Page

<b>Table 1.</b> Collections and Refunds, by Type of Tax, Fiscal Years 2009 and 2010 .....	3
<b>Table 2.</b> Number of Returns Filed, by Type of Return, Fiscal Years 2009 and 2010 .....	4
<b>Table 3.</b> Number of Returns Filed, by Type of Return and State, Fiscal Year 2010 .....	6
<b>Table 4.</b> Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2010 .....	9
<b>Table 5.</b> Gross Collections, by Type of Tax and State, Fiscal Year 2010.....	12
<b>Table 6.</b> Gross Collections, by Type of Tax, Fiscal Years 1960–2010 .....	15
<b>Table 7.</b> Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2010 .....	17
<b>Table 8.</b> Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2010 .....	19

## Enforcement: Examinations

<b>Table 9a.</b> Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2010 .....	22
<b>Table 9b.</b> Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income, Fiscal Year 2010 .....	26
<b>Table 10.</b> Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2010.....	27
<b>Table 11.</b> Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2010 .....	29
<b>Table 12.</b> Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2010 .....	31
<b>Table 13.</b> Returns of Tax-Exempt Organizations, Employee Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2010.....	33

## Enforcement: Information Reporting and Verification

<b>Table 14.</b> Information Reporting Program, Fiscal Year 2010 .....	37
<b>Table 15.</b> Math Errors on Individual Income Tax Returns, by Type of Error, Calendar Year 2010 .....	38

## Enforcement: Collections, Penalties, and Criminal Investigation

<b>Table 16.</b> Delinquent Collection Activities, Fiscal Years 2007–2010 .....	41
<b>Table 17.</b> Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2010.....	42
<b>Table 18.</b> Criminal Investigation Program, by Status or Disposition, Fiscal Year 2010 .....	44

## Taxpayer Assistance

<b>Table 19.</b> Taxpayer Assistance and Education Programs for Individual Taxpayers, by Type of Assistance or Program, Fiscal Year 2010.....	47
<b>Table 20.</b> Taxpayer Advocate Service: Postfiling Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2010 .....	48
<b>Table 21.</b> Appeals Workload, by Type of Case, Fiscal Year 2010 .....	49

## Tax-Exempt Activities

<b>Table 22.</b> Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2010.....	53
<b>Table 23.</b> Determination Letters Issued on Employee Pension Plans, by Type and Disposition of Plan, Fiscal Year 2010 .....	54
<b>Table 24.</b> Closures of Applications for Tax-Exempt Status, by Organization Type and Internal Revenue Code Section, Fiscal Year 2010 .....	55
<b>Table 25.</b> Tax-Exempt Organizations and Nonexempt Charitable Trusts, Fiscal Years 2007–2010.....	56

## Chief Counsel

<b>Table 26.</b> Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2010 .....	59
<b>Table 27.</b> Chief Counsel Workload: Tax Litigation Cases, by Type of Case, Fiscal Year 2010.....	61

## IRS Budget and Workforce

<b>Table 28.</b> Costs Incurred by Budget Activity, Fiscal Years 2009 and 2010 .....	65
<b>Table 29.</b> Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1980–2010 .....	66
<b>Table 30.</b> Personnel Summary, by Employment Status, Budget Activity, and Selected Type of Personnel, Fiscal Years 2009 and 2010.....	67
<b>Table 31.</b> Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability, Fiscal Year 2010 .....	68
<b>Table A.</b> First-Time Homebuyer Credit by State, Fiscal Year 2010 .....	71





# Returns Filed, Taxes Collected, and Refunds Issued

Tables 1 and 2 provide a broad overview of the main functions performed by the IRS: processing Federal tax returns and collecting revenue. During Fiscal Year (FY) 2010, the IRS processed 230 million Federal tax returns and supplemental documents and collected \$2.3 trillion in gross taxes. After accounting for 122.2 million refunds, totaling \$467.3 billion, collections (net of refunds) totaled \$1.8 trillion.

During FY 2010, there were more than 141.1 million individual income tax returns filed, accounting for 61.3 percent of all returns filed. Individual income tax withheld and tax payments, combined, totaled almost \$1.2 trillion before refunds. Individual taxpayers received \$358 billion in refunds.

The IRS also processed almost 2.4 million returns and collected almost \$278 billion in taxes, before refunds, from corporations in FY 2010. Partnerships and S corporations filed an additional 8 million returns.

Tables 3 through 6 provide additional detail on returns filed, returns filed electronically, and gross collections. More than 116 million returns, including almost 70 percent of individual income tax returns, were filed electronically in FY 2010. More than 64 million returns were submitted to the IRS through paid preparers, while 2.9 million taxpayers whose adjusted gross income was \$58,000 or less filed using the IRS Free File program.

Tables 7 and 8 provide information on tax refunds by State and type of tax.



**Table 1. Collections and Refunds, by Type of Tax, Fiscal Years 2009 and 2010**

[Money amounts are in thousands of dollars]

Type of tax	Gross collections [1]			Refunds [1, 2]	Net collections [1]	
	2009	2010	Percentage of 2010 total	2010	2010	Percentage of 2010 total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>United States, total</b>	<b>2,345,337,177</b>	<b>2,345,055,978</b>	<b>100.0</b>	<b>467,302,973</b>	<b>1,877,753,005</b>	<b>100.0</b>
<b>Business income tax</b>	<b>225,481,588</b>	<b>277,937,220</b>	<b>11.9</b>	<b>98,338,609</b>	<b>179,598,611</b>	<b>9.6</b>
Corporation	224,929,251	277,473,918	11.8	n.a.	n.a.	n.a.
Tax-exempt organization unrelated business income tax	552,337	463,302	[3]	n.a.	n.a.	n.a.
<b>Individual and estate and trust income tax [4, 5]</b>	<b>1,190,382,757</b>	<b>1,175,989,528</b>	<b>50.1</b>	<b>361,974,202</b>	<b>814,015,326</b>	<b>43.4</b>
Individual income tax withheld	880,759,170	899,588,661	38.4	n.a.	n.a.	n.a.
Individual income tax payments [6]	294,662,618	264,098,927	11.3	n.a.	n.a.	n.a.
Estate and trust income tax	14,960,969	12,301,939	0.5	3,542,928	8,759,011	0.5
<b>Employment taxes</b>	<b>858,163,864</b>	<b>824,188,337</b>	<b>35.1</b>	<b>4,216,048</b>	<b>819,972,289</b>	<b>43.7</b>
Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI), total [5]	846,688,399	812,997,371	34.7	4,114,497	808,882,874	43.1
Federal Insurance Contributions Act (FICA)	792,767,896	761,734,808	32.5	n.a.	n.a.	n.a.
Self-Employment Insurance Contributions Act (SECA)	53,920,503	51,262,563	2.2	n.a.	n.a.	n.a.
Unemployment insurance	6,765,012	6,542,861	0.3	100,098	6,442,763	0.3
Railroad retirement	4,710,453	4,648,105	0.2	1,453	4,646,652	0.2
<b>Estate and gift taxes</b>	<b>24,677,322</b>	<b>19,750,836</b>	<b>0.8</b>	<b>908,069</b>	<b>18,842,767</b>	<b>1.0</b>
Estate	21,583,131	16,930,741	0.7	814,842	16,115,899	0.9
Gift	3,094,191	2,820,095	0.1	93,227	2,726,868	0.1
<b>Excise taxes</b>	<b>46,631,646</b>	<b>47,190,057</b>	<b>2.0</b>	<b>1,866,046</b>	<b>45,324,011</b>	<b>2.4</b>

n.a.—Not available.

- [1] Excludes adjustments and credits to taxpayer accounts, as well as excise taxes paid to the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.
- [2] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law. Refundable tax credits include those associated with the American Recovery and Reinvestment Act (ARRA) of 2009, such as: Making Work Pay Tax Credit, American Opportunity Tax Credit, and the First-Time Homebuyer Credit. Under the provisions of ARRA, the Earned Income Tax Credit expanded to a total of \$54.7 billion and the Child Tax Credit expanded to a total of \$22.7 billion. Rebate Recovery Credits associated with the Economic Stimulus Act of 2008 are also included here. Reported amounts include \$2.2 billion in interest, of which \$1.4 billion was paid to corporations and \$0.8 billion was paid to all others (related to individual, employment, estate, gift, and excise tax returns).
- [3] Less than 0.05 percent.
- [4] Collections include Presidential Election Campaign Fund contributions of \$45.2 million in Fiscal Year 2009 and \$40.8 million in Fiscal Year 2010.
- [5] Collections of withheld individual income tax are not reported by taxpayers separately from Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages (under the Federal Insurance Contributions Act or FICA) and taxes on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). The OASDHI tax collections and refunds shown in this table are based on estimates made by the Secretary of the Treasury pursuant to the provisions of Section 201(a) of the Social Security Act as amended and include all OASDHI taxes. Amounts shown for individual income tax withheld and individual income tax payments were derived by subtracting the FICA and SECA tax estimates from total individual income tax withheld and individual income tax payments. Refund estimates, and, therefore, net collection estimates, were not made for the components of income and OASDHI taxes.
- [6] Includes collections of estimated income tax and payments included with individual income tax return filings.

## NOTES:

Detail may not add to totals because of rounding.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass through any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

SOURCE: Chief Financial Officer, Revenue Financial Management.

**Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2009 and 2010**

[Numbers are in thousands. For FY 2010 details by State, see Table 3]

Type of return	2009	2010	Percentage change
	(1)	(2)	
<b>United States, total [1]</b>	<b>236,503</b>	<b>230,409</b>	<b>-2.6</b>
<b>Income taxes, total</b>	<b>[r] 182,522</b>	<b>178,347</b>	<b>-2.3</b>
<b>C or other corporation [2]</b>	<b>2,476</b>	<b>2,356</b>	<b>-4.8</b>
<b>S corporation, Form 1120-S</b>	<b>4,496</b>	<b>4,508</b>	<b>0.3</b>
<b>Partnership, Form 1065</b>	<b>3,565</b>	<b>3,509</b>	<b>-1.6</b>
<b>Individual [3]</b>	<b>144,103</b>	<b>141,167</b>	<b>-2.0</b>
Forms 1040, 1040-A, 1040-EZ, 1040EZ-T	142,983	140,307	-1.9
Forms 1040-C, 1040-NR, 1040NR-EZ, 1040-PR, 1040-SS	1,120	860	-23.2
<b>Individual estimated tax, Form 1040-ES</b>	<b>24,197</b>	<b>23,390</b>	<b>-3.3</b>
<b>Estate and trust, Form 1041</b>	<b>3,143</b>	<b>3,074</b>	<b>-2.2</b>
<b>Estate and trust estimated tax, Form 1041-ES</b>	<b>542</b>	<b>343</b>	<b>-36.7</b>
<b>Employment taxes [4]</b>	<b>30,223</b>	<b>29,787</b>	<b>-1.4</b>
<b>Estate tax [5]</b>	<b>47</b>	<b>29</b>	<b>-38.3</b>
<b>Gift tax, Form 709</b>	<b>245</b>	<b>230</b>	<b>-6.1</b>
<b>Excise taxes [6]</b>	<b>809</b>	<b>837</b>	<b>3.5</b>
<b>Tax-exempt organizations [7]</b>	<b>1,132</b>	<b>1,343</b>	<b>18.6</b>
<b>Supplemental documents [8]</b>	<b>21,525</b>	<b>19,836</b>	<b>-7.8</b>

[r]—Revised in June 2010. The amount published in the print version of the 2009 *Data Book* (released in March 2010) was incorrect because of a math error.

[1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee benefit plan returns (Forms 5500 and 5500-EZ) processed by the Department of Labor. See Table 14 for the total number of information returns filed.

[2] Includes Form 1066 (real estate mortgage investment conduit income tax return) and the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-C (cooperative association income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-FSC (foreign sales corporation income tax return); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (income tax return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political associations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Form 1120-X (amended corporation income tax return) is included with Supplemental documents in this table.

Excludes Form 990-T (tax-exempt organization unrelated business income tax return), which is included under Tax-exempt organizations in this table, although the tax reported on these returns is combined with Business income taxes in other tables.

[3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-C (income tax return for departing aliens); 1040-EZ (individual income tax return for single and joint filers with no dependents); 1040EZ-T (telephone excise tax refund return); 1040-NR and 1040NR-EZ (nonresident alien income tax returns); 1040-PR (self-employment income tax return for Puerto Rico residents); and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents). Form 1040-X (amended individual income tax return) is included with Supplemental documents in this table.

The Economic Stimulus Payments associated with the Economic Stimulus Act of 2008 contributed to a temporary increase in the number of individual income tax returns filed in Fiscal Year 2009. Some taxpayers, who did not otherwise have a filing requirement, filed a form from the 1040 series to claim an Economic Stimulus payment. These filers are not expected to become regular filers unless their filing requirements change.

[4] Includes Forms 940 (employer's Federal unemployment tax return); 940-EZ (employer's Federal unemployment tax return, short form); 940-PR (unemployment tax return for Puerto Rico residents); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 943 (employer's tax return for agricultural employees); 943-PR/SS (employer's tax return for agricultural employees for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 944 (employer's tax return); 944-PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 945 (tax return of withheld income tax from nonpayroll distributions). Also includes Forms 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return). Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted tax return of withheld income tax from nonpayroll distributions); and CT-1X (adjusted railroad retirement tax return) are included in Supplemental documents.

[5] Includes the Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706-GS(D) (generation-skipping transfer tax return for distributions); 706-GS(T) (generation-skipping transfer tax return for terminations); and 706-NA (estate and generation-skipping transfer tax return for nonresident aliens). An increase in the filing threshold resulted in a decrease in the number of estate tax returns filed. The filing threshold was \$2 million for deaths in Calendar Year 2008; it was \$3.5 million for deaths in Calendar Year 2009. The estate tax was temporarily repealed for deaths in Calendar Year 2010. However, estate tax returns were filed in Fiscal Year 2010 for decedents who died prior to Calendar Year 2010. Legislation enacted in December 2010 clarified the filing requirements for the estates of 2010 decedents, creating two options that will affect statistics reported for Fiscal Year 2011.

[6] Includes Forms 720 (excise tax return); 730 (tax return for wagering); 2290 (heavy highway vehicle use tax return); 11-C (occupational tax and registration for wagering return); and 5330 (excise taxes related to employee benefit plans return). Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

**Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2009 and 2010—Continued****Footnotes—Continued**

- [7] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-C (farmers' cooperative return); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); 990-PF (private foundation information return); and 990-T (tax-exempt organization unrelated business income tax return). Also includes Forms 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8872 (political organization report of contributions and expenditures). Tax collected on Form 990-T is combined with Business income taxes in other tables.
- [8] Includes Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted return of withheld income tax from nonpayroll distributions); 1040-X (amended individual income tax return); 1041-A (information return of charitable contribution deductions by certain trusts); 1120-X (amended corporation income tax return); 4868 (automatic filing extension for individuals); 5558 (filing extension for certain employee plan returns); 7004 (automatic filing extension for corporations); 8752 (required payment or refund for certain S corporations and partnerships); 8868 (automatic filing extension for tax-exempt organizations); and CT-1X (adjusted railroad retirement tax return).

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

SOURCE: Research, Analysis, and Statistics, Office of Research.

**Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2010**

State	Total returns [1]	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax, employment taxes, and estate and trust income tax		
					Individual income tax [3]	Individual estimated income tax	Estate and trust income tax
					(1)	(2)	(3)
<b>United States, total</b>	<b>230,408,678</b>	<b>2,355,803</b>	<b>4,508,078</b>	<b>3,508,856</b>	<b>141,166,805</b>	<b>23,390,344</b>	<b>3,073,951</b>
Alabama	3,102,728	20,605	51,616	45,095	2,039,519	271,173	30,560
Alaska	583,713	3,850	8,609	6,997	358,884	50,374	4,022
Arizona	4,287,624	38,336	83,126	83,757	2,654,822	414,712	43,843
Arkansas	1,929,663	15,246	40,767	27,501	1,206,492	174,122	16,138
California	27,252,358	325,758	416,014	375,160	16,293,608	2,992,625	322,719
Colorado	4,130,583	39,796	116,702	93,452	2,316,632	428,845	43,253
Connecticut	2,884,463	26,720	27,907	65,211	1,704,169	382,021	50,899
Delaware	721,605	9,364	15,002	14,712	417,463	75,023	24,659
District of Columbia	536,677	11,263	5,347	9,364	305,281	58,284	7,203
Florida	15,370,733	194,390	601,140	196,989	8,810,585	1,473,458	177,138
Georgia	6,665,976	59,145	170,985	91,788	4,245,092	486,228	47,161
Hawaii	1,076,845	14,309	14,065	11,555	645,560	137,110	13,817
Idaho	1,126,039	8,834	27,461	25,103	655,644	103,807	8,966
Illinois	9,737,321	109,874	230,070	113,116	5,993,124	974,594	212,955
Indiana	4,494,041	23,710	92,824	53,950	2,943,482	471,065	39,691
Iowa	2,320,100	23,555	38,443	33,100	1,385,540	315,227	31,555
Kansas	2,166,468	19,057	34,078	33,328	1,309,679	256,034	27,226
Kentucky	2,799,932	17,069	51,913	40,515	1,835,367	269,185	25,780
Louisiana	3,129,010	32,595	57,926	57,582	1,957,168	262,721	20,491
Maine	1,063,453	8,458	22,931	11,703	618,336	117,157	28,086
Maryland	4,447,794	48,888	76,115	66,374	2,735,173	503,056	52,499
Massachusetts	5,281,077	56,066	88,945	66,250	3,150,222	654,504	153,485
Michigan	7,009,039	68,488	130,997	102,618	4,524,956	656,070	75,581
Minnesota	4,234,600	34,360	96,878	61,159	2,533,327	482,894	51,687
Mississippi	1,858,860	13,975	28,965	25,784	1,237,280	143,958	10,525
Missouri	4,322,322	37,518	67,105	65,270	2,675,088	451,640	72,750
Montana	889,693	10,313	24,034	17,639	470,254	101,239	7,922
Nebraska	1,425,461	13,595	30,141	22,099	845,101	161,167	20,235
Nevada	1,995,986	31,942	44,265	49,650	1,241,034	151,973	16,906
New Hampshire	1,070,179	11,283	12,108	16,136	653,428	128,450	14,681
New Jersey	7,213,843	79,086	124,059	146,496	4,221,772	828,657	142,193
New Mexico	1,421,839	10,266	21,081	19,207	907,605	145,361	11,071
New York	15,205,903	233,520	383,414	242,854	9,072,189	1,434,464	273,326
North Carolina	6,483,180	58,426	138,837	93,130	4,112,964	615,400	65,753
North Dakota	582,303	4,810	9,752	10,310	321,128	86,220	6,362
Ohio	8,279,785	64,949	122,346	114,484	5,402,916	800,406	134,187
Oklahoma	2,615,937	21,234	52,167	42,414	1,578,447	256,296	27,784
Oregon	2,995,587	23,982	56,380	47,685	1,723,747	355,594	36,257
Pennsylvania	9,534,533	64,218	157,425	123,656	6,034,669	1,124,981	169,721
Rhode Island	835,691	6,618	18,382	10,798	500,570	84,737	29,096
South Carolina	3,094,479	26,759	61,102	46,960	2,010,142	281,784	22,156
South Dakota	692,267	4,921	13,723	12,198	384,301	90,037	11,322
Tennessee	4,165,355	33,704	35,706	66,270	2,783,638	395,236	37,115
Texas	17,093,183	182,710	248,542	317,763	10,715,407	1,391,620	209,324
Utah	1,920,843	16,122	57,077	66,421	1,122,345	134,688	15,361
Vermont	560,428	5,309	11,718	6,518	313,595	76,742	8,442
Virginia	5,910,923	58,144	109,114	81,638	3,664,790	671,545	70,742
Washington	5,264,168	42,893	95,846	77,127	3,129,113	589,168	62,294
West Virginia	1,163,444	8,941	12,134	13,046	774,432	125,710	13,049
Wisconsin	4,301,242	36,742	59,329	60,693	2,716,565	503,313	65,836
Wyoming	502,569	5,119	12,445	12,892	269,339	55,924	6,634
Other [9]	2,656,833	38,968	1,020	13,339	1,644,821	193,745	3,493

Footnotes at end of table.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2010—Continued

State	Individual income tax, employment taxes, and estate and trust income tax—continued		Estate tax [5]	Gift tax	Excise taxes [6]	Tax-exempt organizations [7]	Supplemental documents [8]
	Estate and trust estimated income tax	Employment taxes [4]					
	(8)	(9)					
<b>United States, total</b>	<b>343,075</b>	<b>29,787,494</b>	<b>28,780</b>	<b>230,007</b>	<b>836,793</b>	<b>1,342,615</b>	<b>19,836,077</b>
Alabama	3,122	366,456	259	2,449	14,349	15,747	241,778
Alaska	717	78,246	44	382	3,626	4,502	63,460
Arizona	4,359	514,539	407	3,115	7,514	18,909	420,185
Arkansas	2,381	252,925	112	1,119	12,718	10,504	169,638
California	42,518	3,491,320	5,119	22,668	69,097	143,474	2,752,278
Colorado	5,760	624,642	422	4,253	11,360	23,966	421,500
Connecticut	7,114	359,016	501	6,542	5,706	18,187	230,470
Delaware	2,104	91,859	103	787	1,748	6,425	62,356
District of Columbia	1,257	68,278	134	642	375	11,250	57,999
Florida	19,004	2,030,513	1,951	19,835	40,722	57,946	1,747,062
Georgia	7,178	852,712	635	5,244	24,743	28,912	646,153
Hawaii	2,368	124,710	231	1,339	1,315	6,239	104,227
Idaho	966	187,202	90	769	7,375	6,360	93,462
Illinois	19,006	1,296,621	1,369	9,405	44,726	56,543	675,918
Indiana	4,229	547,634	340	3,885	25,379	29,327	258,525
Iowa	2,221	320,174	233	1,804	21,571	25,395	121,282
Kansas	3,714	302,072	254	2,108	14,347	14,401	150,170
Kentucky	3,019	339,149	181	2,483	14,967	14,456	185,848
Louisiana	2,975	403,254	214	1,931	14,508	13,743	303,902
Maine	1,412	163,525	107	1,171	4,962	8,733	76,872
Maryland	8,225	529,661	592	5,186	8,683	25,314	388,028
Massachusetts	15,665	683,277	961	8,916	8,891	38,267	355,628
Michigan	7,564	889,020	536	5,183	24,433	38,715	484,878
Minnesota	4,957	608,082	598	5,665	31,523	33,083	290,387
Mississippi	1,692	222,353	137	1,142	10,608	8,304	154,137
Missouri	6,780	605,851	384	4,035	21,684	31,318	282,899
Montana	872	158,266	86	1,092	6,970	7,813	83,193
Nebraska	1,690	213,025	138	1,461	18,148	11,636	87,025
Nevada	2,625	222,112	185	1,397	7,187	6,684	220,026
New Hampshire	2,173	145,136	98	1,435	3,616	7,444	74,191
New Jersey	12,778	975,498	1,289	8,795	16,704	75,167	581,349
New Mexico	1,614	174,603	126	892	5,823	8,020	116,170
New York	23,712	2,217,427	3,134	19,171	22,028	85,719	1,194,945
North Carolina	5,919	839,225	539	5,573	25,261	37,505	484,648
North Dakota	549	92,664	54	909	13,261	4,749	31,535
Ohio	9,732	961,472	626	7,831	30,992	56,100	573,744
Oklahoma	3,879	359,500	231	1,899	10,651	14,703	246,732
Oregon	3,481	433,349	424	2,846	10,723	20,392	280,727
Pennsylvania	12,575	1,152,706	912	10,260	31,501	65,096	586,813
Rhode Island	1,569	118,253	144	963	1,717	9,673	53,171
South Carolina	2,735	386,784	262	2,753	12,023	13,827	227,192
South Dakota	1,137	109,125	85	920	12,451	5,494	46,553
Tennessee	5,776	471,405	435	3,304	16,220	20,281	296,265
Texas	42,205	1,948,429	1,532	16,502	64,408	77,090	1,877,651
Utah	1,829	291,152	126	875	5,930	8,560	200,357
Vermont	966	91,386	72	554	2,471	5,569	37,086
Virginia	8,282	731,215	672	5,918	14,412	34,511	459,940
Washington	8,037	714,435	505	5,015	22,598	30,384	486,753
West Virginia	1,060	141,423	51	787	5,316	7,988	59,507
Wisconsin	6,106	560,156	464	4,991	20,300	32,068	234,679
Wyoming	1,030	85,430	65	859	3,089	3,910	45,833
Other [9]	437	240,227	611	947	6,063	2,212	510,950

Footnotes at end of table.

**Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2010—Continued****Footnotes**

- [1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee benefit plan returns (Forms 5500 and 5500-EZ) processed by the Department of Labor. See Table 14 for the total number of information returns filed.
- [2] Includes Form 1066 (real estate mortgage investment conduit income tax return) and the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-C (cooperative association income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-FSC (foreign sales corporation income tax return); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (income tax return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political associations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Form 1120-X (amended corporation income tax return) is included with Supplemental documents in this table.
- Excludes Form 990-T (tax-exempt organization unrelated business income tax return), which is included under Tax-exempt organizations in this table, although the tax reported on these returns is combined with Business income taxes in other tables.
- [3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-C (income tax return for departing aliens); 1040-EZ (individual income tax return for single and joint filers with no dependents); 1040EZ-T (telephone excise tax refund return); 1040-NR and 1040NR-EZ (nonresident alien income tax returns); 1040-PR (self-employment income tax return for Puerto Rico residents); and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents).
- Form 1040-X (amended individual income tax return) is included with Supplemental documents in this table.
- [4] Includes the Forms 940 (employer's Federal unemployment tax return); 940-EZ (employer's Federal unemployment tax return, short form); 940-PR (unemployment tax return for Puerto Rico residents); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 943 (employer's tax return for agricultural employees); 943-PR/SS (employer's tax return for agricultural employees for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 944 (employer's tax return); 944-PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 945 (tax return of withheld income tax from nonpayroll distributions). Also includes Forms 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return). Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted tax return of withheld income tax from nonpayroll distributions); and CT-1X (adjusted railroad retirement tax return) are included in Supplemental documents.
- [5] Includes the Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706-GS(D) (generation-skipping transfer tax return for distributions); 706-GS(T) (generation-skipping transfer tax return for terminations); and 706-NA (estate and generation-skipping transfer tax return for nonresident aliens). An increase in the filing threshold resulted in a decrease in the number of estate tax returns filed. The filing threshold was \$2 million for deaths in Calendar Year 2008; it was \$3.5 million for deaths in Calendar Year 2009; and the estate tax was temporarily repealed for deaths in Calendar Year 2010. However, estate tax returns were filed in Fiscal Year 2010 for decedents who died in prior years. Legislation enacted in December 2010 clarified the filing requirements for the estates of 2010 decedents, creating two options that will affect statistics reported for Fiscal Year 2011.
- [6] Includes Forms 720 (excise tax return); 730 (tax return for wagering); 2290 (heavy highway vehicle use tax return); 11-C (occupational tax and registration for wagering return); and 5330 (excise taxes related to employee benefit plans return). Excludes excise tax returns filed with the U.S. Customs and Border Patrol and Alcohol and Tobacco Tax and Trade Bureau.
- [7] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-C (farmers' cooperative return); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); 990-PF (private foundation information return); and 990-T (tax-exempt organization unrelated business income tax return). Also includes Forms 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8872 (political organization report of contributions and expenditures). Tax collected on Form 990-T is combined with Business income taxes in other tables.
- [8] Includes Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted return of withheld income tax from nonpayroll distributions); 1040-X (amended individual income tax return); 1041-A (information return of charitable contribution deductions by certain trusts); 1120-X (amended corporation income tax return); 4868 (automatic filing extension for individuals); 5558 (filing extension for certain employee plan returns); 7004 (automatic filing extension for corporations); 8752 (required payment or refund for certain S corporations and partnerships); 8868 (automatic filing extension for tax-exempt organizations); and CT-1X (adjusted railroad retirement tax return).
- [9] Includes U.S. Territories, U.S. Armed Service members overseas, and international.

**NOTES:**

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

Detail may not add to totals because of rounding.

SOURCE: Research, Analysis, and Statistics, Office of Research.

**Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2010 [1]**

State	Total returns	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax	
					Total individual returns [3]	Online
						Total filed [4]
(1)	(2)	(3)	(4)	(5)	(6)	
<b>United States, total</b>	<b>116,061,187</b>	<b>544,147</b>	<b>1,673,270</b>	<b>1,266,063</b>	<b>98,209,764</b>	<b>34,184,279</b>
Alabama	1,716,309	4,740	19,694	16,523	1,542,959	448,851
Alaska	281,935	911	4,022	2,755	241,518	111,977
Arizona	2,132,925	4,854	20,140	19,159	1,802,013	706,591
Arkansas	983,905	2,561	11,265	6,444	888,218	251,148
California	14,022,591	87,608	177,851	144,523	11,340,225	2,918,279
Colorado	1,862,314	6,650	37,697	27,617	1,521,795	672,309
Connecticut	1,472,015	5,013	8,373	17,895	1,225,785	402,874
Delaware	353,298	1,912	4,249	4,671	286,410	120,000
District of Columbia	253,672	858	1,377	2,304	195,791	86,149
Florida	7,241,290	31,162	191,186	64,143	5,916,521	2,359,598
Georgia	3,661,642	12,751	62,869	32,238	3,133,991	1,196,480
Hawaii	432,224	1,535	2,829	2,288	379,403	140,704
Idaho	563,282	1,856	11,704	10,436	491,685	183,646
Illinois	4,574,269	15,129	52,724	25,492	3,921,665	1,404,827
Indiana	2,488,133	4,921	27,758	16,795	2,249,040	808,058
Iowa	1,221,814	5,817	13,488	9,737	1,117,194	301,038
Kansas	1,190,846	7,557	17,595	16,931	1,038,748	350,832
Kentucky	1,487,447	2,655	12,379	10,003	1,356,909	407,838
Louisiana	1,557,363	5,825	17,533	18,384	1,370,451	454,201
Maine	486,589	1,327	6,458	3,380	403,262	165,814
Maryland	2,099,224	7,835	22,869	20,343	1,766,982	714,476
Massachusetts	2,970,978	29,182	72,102	49,857	2,278,001	741,840
Michigan	4,045,265	31,577	78,912	62,939	3,478,278	1,142,125
Minnesota	2,352,938	9,953	48,726	29,142	1,977,272	635,280
Mississippi	998,745	2,781	9,600	8,864	914,769	260,920
Missouri	2,179,802	7,787	22,963	19,978	1,924,838	665,714
Montana	414,643	2,628	10,460	7,660	347,386	110,659
Nebraska	754,602	4,565	14,304	9,761	660,152	221,701
Nevada	1,018,374	7,955	17,593	19,758	842,122	309,443
New Hampshire	520,267	2,748	4,838	5,792	436,381	205,740
New Jersey	3,613,938	15,869	39,043	57,248	2,859,196	736,008
New Mexico	706,198	2,191	6,762	6,414	633,640	239,337
New York	7,865,034	66,076	193,382	121,088	6,235,213	1,477,584
North Carolina	3,244,527	7,843	30,841	20,558	2,905,318	1,056,241
North Dakota	268,022	1,592	4,821	4,983	239,311	72,586
Ohio	4,479,522	17,052	42,660	42,253	3,891,837	1,545,410
Oklahoma	1,310,430	3,933	14,868	11,772	1,150,826	397,616
Oregon	1,464,148	5,886	21,032	16,133	1,200,323	486,987
Pennsylvania	4,507,689	11,265	39,551	31,428	3,883,825	1,552,926
Rhode Island	464,884	1,766	7,986	4,774	362,911	99,101
South Carolina	1,728,307	7,728	29,042	15,574	1,542,023	478,241
South Dakota	325,745	1,815	7,323	6,371	281,871	95,988
Tennessee	2,187,213	6,726	10,995	20,262	1,988,287	750,109
Texas	8,194,240	36,785	74,899	94,222	7,074,568	2,930,205
Utah	1,019,500	4,215	27,472	30,762	827,657	340,806
Vermont	243,635	1,035	3,726	1,968	208,484	83,949
Virginia	2,979,642	9,692	34,097	24,005	2,580,297	1,161,611
Washington	2,506,579	9,668	37,533	26,788	2,127,687	1,035,397
West Virginia	586,552	1,175	2,555	2,662	548,230	206,735
Wisconsin	2,421,413	14,774	34,872	32,914	2,116,736	735,066
Wyoming	230,491	1,495	6,114	6,009	192,284	71,680
Other [10]	374,777	2,913	138	2,063	309,476	131,584

Footnotes at end of table.

**Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2010 [1]—Continued**

State	Individual income tax—continued		Estate and trust income tax (9)	Employment taxes [7] (10)	Tax-exempt organizations [8] (11)	Supplemental documents [9] (12)
	Online—continued	Practitioner filed [6] (8)				
	Free File [5] (7)					
	(7)	(8)				
<b>United States, total</b>	<b>2,948,057</b>	<b>64,025,485</b>	<b>868,345</b>	<b>6,924,099</b>	<b>538,186</b>	<b>6,037,313</b>
Alabama	44,611	1,094,108	9,167	42,619	7,435	73,172
Alaska	7,313	129,541	492	5,869	2,067	24,301
Arizona	53,749	1,095,422	5,639	146,535	7,750	126,835
Arkansas	28,869	637,070	1,478	17,157	5,105	51,677
California	210,089	8,421,946	24,308	1,265,766	46,616	935,694
Colorado	44,390	849,486	4,711	119,855	9,791	134,198
Connecticut	26,763	822,911	6,917	134,960	6,922	66,150
Delaware	9,524	166,410	9,773	26,849	1,736	17,698
District of Columbia	5,858	109,642	693	34,490	4,325	13,834
Florida	191,205	3,556,923	47,109	449,930	22,362	518,877
Georgia	113,639	1,937,511	5,798	183,532	12,128	218,335
Hawaii	11,149	238,699	2,148	22,663	2,455	18,903
Idaho	18,764	308,039	1,088	10,382	2,979	33,152
Illinois	117,924	2,516,838	85,856	275,200	22,039	176,164
Indiana	65,377	1,440,982	6,701	89,967	11,814	81,137
Iowa	27,910	816,156	3,239	16,070	15,832	40,437
Kansas	30,419	687,916	7,076	39,100	7,393	56,446
Kentucky	46,154	949,071	4,999	42,800	6,669	51,033
Louisiana	42,249	916,250	2,659	52,141	6,035	84,335
Maine	14,603	237,448	1,885	40,717	4,124	25,436
Maryland	46,230	1,052,506	5,208	158,480	10,636	106,871
Massachusetts	55,290	1,536,161	84,039	307,032	14,635	136,130
Michigan	110,987	2,336,153	23,381	169,740	18,609	181,829
Minnesota	65,453	1,341,992	16,417	148,863	14,630	107,935
Mississippi	31,599	653,849	1,764	12,584	4,043	44,340
Missouri	65,337	1,259,124	13,990	86,436	14,500	89,310
Montana	10,816	236,727	1,465	6,377	4,498	34,169
Nebraska	19,760	438,451	5,468	19,359	5,883	35,110
Nevada	21,709	532,679	3,062	58,431	2,886	66,567
New Hampshire	13,290	230,641	2,416	41,198	3,115	23,779
New Jersey	45,708	2,123,188	63,536	403,244	12,105	163,697
New Mexico	20,283	394,303	1,680	16,166	3,698	35,647
New York	146,771	4,757,629	122,254	688,729	29,480	408,812
North Carolina	96,433	1,849,077	19,170	131,766	14,064	114,967
North Dakota	9,740	166,725	1,315	2,933	2,595	10,472
Ohio	158,107	2,346,427	60,266	226,064	24,917	174,473
Oklahoma	47,724	753,210	4,085	35,943	6,977	82,026
Oregon	44,061	713,336	6,697	101,559	8,957	103,561
Pennsylvania	131,052	2,330,899	60,232	305,411	24,188	151,789
Rhode Island	9,164	263,810	16,980	55,450	2,107	12,910
South Carolina	54,602	1,063,782	3,575	47,821	6,309	76,235
South Dakota	9,527	185,883	4,359	3,763	3,241	17,002
Tennessee	77,562	1,238,178	5,452	66,405	8,860	80,226
Texas	230,323	4,144,363	40,843	361,821	34,174	476,928
Utah	21,194	486,851	2,887	45,431	3,346	77,730
Vermont	8,993	124,535	1,965	15,789	2,555	8,113
Virginia	87,499	1,418,686	22,595	156,244	14,962	137,750
Washington	72,744	1,092,290	10,705	125,540	14,327	154,331
West Virginia	25,515	341,495	5,663	7,747	3,978	14,542
Wisconsin	68,603	1,381,670	23,217	89,542	15,898	93,460
Wyoming	5,398	120,604	1,777	3,651	1,894	17,267
Other [10]	26,024	177,892	146	7,978	542	51,521

Footnotes at end of table.

**Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2010 [1]—Continued****Footnotes**

- [1] Excludes returns that cannot be filed electronically; information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee benefit plan returns (Forms 5500 and 5500-EZ) processed by the Department of Labor. Also excludes excise tax returns (Forms 720 and 2290), which together totaled 44,883.
- [2] Includes Forms 1120 (corporation income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); and 1120-POL (income tax return for certain political associations).
- [3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-EZ (individual income tax return for single and joint filers with no dependents); and 1040-NR (nonresident alien income tax return).
- [4] Online e-filing is an option that allows taxpayers to prepare and file tax returns using a personal computer. Online returns can be filed through one of two processes: users either complete a tax return on a Web site without downloading any software, or users purchase and load software onto their personal computers, prepare their returns, and transmit them to the IRS through an online filing company.
- [5] Free File is a free Federal income tax preparation and electronic filing service for eligible taxpayers developed through a partnership between the IRS and the Free File Alliance LLC, a group of private sector tax software companies. For 2010, taxpayers with an adjusted gross income of \$58,000 or less could prepare and file their Federal income taxes using commercial online software provided by the Free File Alliance companies. This software was accessed through IRS.gov.
- [6] Includes cases in which a taxpayer transmits the return via an authorized e-file provider, who, in most cases, is also the preparer of the return.
- [7] Includes the Form 940 series as follows: 940 (employer's Federal unemployment tax return); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 944 (employer's tax return).
- [8] Includes the Form 990 series as follows: 990 (tax-exempt organization except private foundation return, long form); 990-EZ (tax-exempt organization except private foundation return, short form); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); 990-PF (private foundation return); and Form 8872 (political organization report of contributions and expenditures).
- [9] Includes Forms 4868 (automatic filing extension for individuals); 7004 (automatic filing extension for corporations); and 8868 (automatic filing extension for tax-exempt organizations).
- [10] Includes U.S. Territories, U.S. Armed Service members overseas, and international.

**NOTE:**

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Research, Analysis, and Statistics, Office of Research.

**Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2010**

[Money amounts are in thousands of dollars]

State	Total Internal Revenue collections [1]	Business income taxes [2]	Individual income tax, employment taxes, and estate and trust income tax		
			Total	Individual income tax withheld and FICA tax [3]	Individual income tax not withheld and SECA tax [3]
	(1)	(2)	(3)	(4)	(5)
<b>United States, total [5]</b>	<b>2,345,055,978</b>	<b>277,937,220</b>	<b>2,000,177,865</b>	<b>1,661,323,470</b>	<b>315,361,490</b>
Alabama	19,895,499	1,079,545	18,522,008	15,140,717	3,233,316
Alaska	4,685,206	199,875	4,428,153	3,459,170	919,460
Arizona	31,678,131	3,003,916	27,313,530	22,688,794	4,431,162
Arkansas	28,249,718	7,181,112	18,842,080	16,678,597	1,913,642
California	273,353,106	41,098,422	225,458,099	179,894,141	43,832,275
Colorado	39,288,418	3,820,855	33,693,319	27,657,739	5,846,086
Connecticut	43,997,544	5,228,622	38,002,726	29,632,634	8,018,926
Delaware	15,327,877	5,747,597	9,511,416	7,948,824	729,280
District of Columbia	18,400,477	456,571	17,859,844	16,074,652	1,337,081
Florida	111,364,742	6,616,253	102,452,757	79,477,979	21,521,963
Georgia	60,505,759	7,833,155	49,836,518	42,682,638	6,808,364
Hawaii	6,280,828	494,126	5,585,801	4,357,286	1,178,488
Idaho	6,216,877	207,477	5,957,621	4,770,959	1,135,534
Illinois	111,038,760	13,522,210	94,632,343	79,087,494	14,118,518
Indiana	43,319,888	3,965,666	38,926,012	34,348,258	4,341,355
Iowa	17,576,087	1,744,733	15,649,978	12,975,628	2,577,601
Kansas	18,820,984	1,185,244	16,390,479	13,199,307	2,671,849
Kentucky	23,383,446	1,727,317	21,319,109	18,567,413	2,625,123
Louisiana	34,562,547	1,692,565	32,453,967	28,035,037	4,246,042
Maine	5,895,843	220,052	5,527,303	4,583,573	904,156
Maryland	47,672,215	3,901,916	43,382,315	36,394,210	6,662,025
Massachusetts	71,418,253	5,575,650	64,783,986	53,969,093	10,208,314
Michigan	53,797,386	3,037,379	50,295,615	43,524,515	6,277,730
Minnesota	68,010,129	10,357,349	56,771,750	51,330,248	5,076,296
Mississippi	9,093,125	509,831	8,274,389	6,511,324	1,707,795
Missouri	46,099,972	5,710,664	39,062,461	33,698,857	4,948,804
Montana	4,000,333	177,296	3,731,986	2,792,650	885,058
Nebraska	17,641,943	5,343,378	12,049,444	9,338,193	1,665,443
Nevada	12,881,374	798,983	11,822,901	8,655,395	2,998,817
New Hampshire	8,377,325	142,498	8,028,735	6,664,967	1,300,462
New Jersey	118,942,547	30,736,218	86,711,187	73,551,273	12,480,920
New Mexico	7,613,384	208,234	7,228,699	5,846,081	1,317,657
New York	200,209,720	22,735,905	174,267,918	140,714,027	31,412,611
North Carolina	57,548,933	5,798,674	51,299,307	44,803,877	6,189,539
North Dakota	4,283,479	230,949	4,022,098	3,026,795	970,506
Ohio	106,483,026	9,735,001	93,386,929	85,122,743	7,608,976
Oklahoma	23,398,453	2,807,022	16,862,015	13,162,227	3,141,476
Oregon	21,138,851	1,070,414	19,710,812	16,492,372	3,083,480
Pennsylvania	101,858,754	10,235,112	88,655,668	75,800,835	11,389,220
Rhode Island	10,510,440	2,579,849	7,879,411	6,872,956	916,156
South Carolina	17,360,842	1,012,466	16,004,893	13,201,697	2,693,290
South Dakota	4,304,997	143,337	4,102,481	2,903,524	997,768
Tennessee	44,557,310	4,536,386	39,045,508	34,279,407	4,477,853
Texas	189,142,112	24,991,374	147,748,859	118,588,354	26,478,989
Utah	13,528,119	918,280	12,216,090	10,088,267	2,040,584
Vermont	3,208,532	201,278	2,970,123	2,401,125	544,562
Virginia	57,954,746	7,047,886	50,434,296	41,193,185	8,372,446
Washington	48,437,113	4,526,423	43,066,669	35,229,902	7,539,521
West Virginia	6,000,615	240,635	5,640,094	4,536,000	1,066,955
Wisconsin	38,212,743	4,109,727	33,504,966	28,474,988	4,739,068
Wyoming	3,830,149	725,151	2,971,890	1,997,203	888,999
U.S. Armed Service members overseas and Territories other than Puerto Rico	629,512	2,522	614,406	461,436	150,263
Puerto Rico	3,593,003	116,883	3,474,401	3,124,781	313,672
International	8,477,705	1,134,886	6,624,919	3,452,191	3,125,050
Undistributed [6]	997,102	-487,645	1,167,581	1,857,935	-699,035

Footnotes at end of table.

**Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2010—Continued**

[Money amounts are in thousands of dollars]

State	Individual income tax, employment taxes, and estate and trust income tax—continued			Estate tax [4]	Gift tax	Excise taxes
	Unemployment insurance tax	Railroad retirement tax	Estate and trust income tax			
	(6)	(7)	(8)			
<b>United States, total [5]</b>	<b>6,542,861</b>	<b>4,648,105</b>	<b>12,301,939</b>	<b>16,930,741</b>	<b>2,820,095</b>	<b>47,190,057</b>
Alabama	71,773	17,896	58,306	128,570	39,026	126,349
Alaska	14,561	1,797	33,165	7,609	618	48,951
Arizona	114,526	1,418	77,629	147,296	14,251	1,199,139
Arkansas	138,173	1,858	109,811	1,590,303	12,988	623,235
California	720,477	7,403	1,003,804	3,193,195	503,185	3,100,205
Colorado	99,720	11,317	78,458	390,521	26,203	1,357,520
Connecticut	77,361	4,607	269,198	150,260	106,624	509,311
Delaware	25,035	22	808,255	42,845	8,469	17,551
District of Columbia	15,288	410,069	22,754	67,157	5,346	11,559
Florida	363,465	641,168	448,181	1,222,130	265,989	807,614
Georgia	212,536	2,220	130,760	268,459	27,575	2,540,052
Hawaii	19,347	0	30,680	71,251	10,321	119,330
Idaho	27,526	951	22,652	27,254	6,616	17,908
Illinois	307,091	185,957	933,281	658,813	70,622	2,154,772
Indiana	105,421	25,002	105,976	75,589	18,572	334,050
Iowa	57,065	5,004	34,681	48,248	13,226	119,902
Kansas	67,680	406,053	45,590	108,999	15,765	1,120,497
Kentucky	72,494	9,808	44,272	99,897	29,469	207,654
Louisiana	77,287	3,973	91,629	84,638	14,991	316,386
Maine	20,943	2,703	15,929	25,918	8,342	114,228
Maryland	111,561	14,558	199,960	217,431	58,445	112,108
Massachusetts	160,841	57,655	388,084	383,614	49,900	625,102
Michigan	232,958	65,841	194,571	252,865	64,840	146,687
Minnesota	185,238	71,810	108,158	242,047	23,016	615,966
Mississippi	34,646	914	19,711	76,654	5,732	226,519
Missouri	138,115	63,632	213,052	294,535	46,210	986,102
Montana	14,845	18,613	20,820	35,838	4,564	50,649
Nebraska	40,948	974,209	30,652	143,142	38,568	67,411
Nevada	45,841	105	122,743	146,369	13,677	99,444
New Hampshire	23,617	118	39,571	59,276	5,146	141,670
New Jersey	228,466	129,880	320,648	405,404	58,326	1,031,412
New Mexico	26,882	300	37,779	96,059	4,770	75,622
New York	380,183	340,441	1,420,655	1,610,996	504,185	1,090,716
North Carolina	194,893	5,451	105,546	179,289	41,080	230,583
North Dakota	13,321	4,416	7,061	7,855	3,099	19,478
Ohio	281,850	20,747	352,614	464,478	38,314	2,858,303
Oklahoma	65,818	2,099	490,394	101,824	22,833	3,604,760
Oregon	72,021	540	62,398	157,999	37,779	161,847
Pennsylvania	287,746	55,922	1,121,945	667,981	77,607	2,222,387
Rhode Island	29,842	4	60,453	37,067	2,306	11,806
South Carolina	61,939	1,532	46,435	180,862	11,219	151,402
South Dakota	14,133	9,821	177,235	35,100	2,086	21,994
Tennessee	167,149	1,880	119,220	112,405	10,185	852,827
Texas	532,048	473,932	1,675,536	1,210,600	287,181	14,904,099
Utah	53,041	3,805	30,393	22,268	12,839	358,642
Vermont	10,240	2,349	11,846	16,328	905	19,899
Virginia	161,236	575,916	131,513	311,819	17,126	143,619
Washington	151,667	5,464	140,115	215,776	93,413	534,832
West Virginia	20,024	416	16,699	45,005	1,534	73,346
Wisconsin	133,430	4,350	153,129	165,175	32,102	400,774
Wyoming	8,714	619	76,355	33,907	18,876	80,325
U.S. Armed Service members overseas and Territories other than Puerto Rico	2,149	5	554	203	162	12,218
Puerto Rico	35,804	-1	145	740	47	931
International	5,856	886	40,936	408,671	5,901	303,328
Undistributed [6]	8,031	648	3	182,208	27,923	107,034

Footnotes at end of table.

**Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2010—Continued****Footnotes**

- [1] Excludes excise taxes paid to the U.S. Customs Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.
- [2] Includes taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990-T).
- [3] Collections of individual income tax are not reported by taxpayers separately from Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages (under the Federal Insurance Contributions Act or FICA) and taxes on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). Thus, while aggregate figures that show these amounts separately are presented in Table 1, separate amounts are not available by State.
- [4] The estate tax was temporarily repealed for decedents who died in Calendar Year 2010. However, estate tax returns were filed in Fiscal Year 2010 for decedents who died prior to Calendar Year 2010. Legislation enacted in December 2010 clarified the filing requirements for the estates of 2010 decedents, creating two options that will affect statistics reported for Fiscal Year 2011.
- [5] Excludes adjustments and credits to taxpayer accounts.
- [6] Includes tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts.

**NOTES:**

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass through any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

Collection and refund data may not be comparable for a given fiscal year, because payments made in prior years may be refunded in the current fiscal year. Adjustments to prior-year refunds made in Fiscal Year 2010 may result in negative amounts when such adjustments exceed current-year collections. See Table 8 for refund data.

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

Detail may not add to totals because of rounding.

SOURCE: Chief Financial Officer, Revenue Financial Management.

**Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2010**

[Money amounts are in thousands of dollars]

Fiscal year	Total Internal Revenue collections [1]	Income taxes				Employment taxes [4]	Estate tax	Gift tax	Excise taxes [5]
		Total	Business income taxes [2]	Individual income tax [3]	Estate and trust income tax [3]				
1960	91,774,803	67,125,126	22,179,414	44,945,711	n.a.	11,158,589	1,439,259	187,089	11,864,741
1961	94,401,086	67,917,941	21,764,940	46,153,001	n.a.	12,502,451	1,745,480	170,912	12,064,302
1962	99,440,839	71,945,305	21,295,711	50,649,594	n.a.	12,708,171	1,796,227	238,960	12,752,176
1963	105,925,395	75,323,714	22,336,134	52,987,581	n.a.	15,004,486	1,971,614	215,843	13,409,737
1964	112,260,257	78,891,218	24,300,863	54,590,354	n.a.	17,002,504	2,110,992	305,312	13,950,232
1965	114,434,634	79,792,016	26,131,334	53,660,683	n.a.	17,104,306	2,454,332	291,201	14,792,779
1966	128,879,961	92,131,794	30,834,243	61,297,552	n.a.	20,256,133	2,646,968	446,954	13,398,112
1967	148,374,815	104,288,420	34,917,825	69,370,595	n.a.	26,958,241	2,728,580	285,826	14,113,748
1968	153,636,838	108,148,565	29,896,520	78,252,045	n.a.	28,085,898	2,710,254	371,725	14,320,396
1969	187,919,560	135,778,052	38,337,646	97,440,406	n.a.	33,068,657	3,136,691	393,373	15,542,787
1970	195,722,096	138,688,568	35,036,983	103,651,585	n.a.	37,449,188	3,241,321	438,755	15,904,264
1971	191,647,198	131,072,374	30,319,953	100,752,421	n.a.	39,918,690	3,352,641	431,642	16,871,851
1972	209,855,737	143,804,732	34,925,546	108,879,186	n.a.	43,714,001	5,126,522	363,447	16,847,036
1973	237,787,204	164,157,315	39,045,309	125,112,006	n.a.	52,081,709	4,338,924	636,938	16,572,318
1974	268,952,254	184,648,094	41,744,444	142,903,650	n.a.	62,093,632	4,659,825	440,849	17,109,853
1975	293,822,726	202,146,097	45,746,660	156,399,437	n.a.	70,140,809	4,312,657	375,421	16,847,741
1976	302,519,792	205,751,753	46,782,956	158,968,797	n.a.	74,202,853	4,875,735	431,730	17,257,720
1976 [6]	75,462,780	49,567,484	9,808,905	39,758,579	n.a.	19,892,041	1,367,935	117,312	4,518,008
1977	358,139,417	246,805,067	60,049,804	186,755,263	n.a.	86,076,316	5,649,460	1,775,866	17,832,707
1978	399,776,389	278,438,289	65,380,145	213,058,144	n.a.	97,291,653	5,242,080	139,419	18,664,949
1979	460,412,185	322,993,733	71,447,876	251,545,857	n.a.	112,849,874	5,344,176	174,899	19,049,504
1980	519,375,273	359,927,392	72,379,610	287,547,782	n.a.	128,330,480	6,282,247	216,134	24,619,021
1981	606,799,103	406,583,302	73,733,156	332,850,146	n.a.	152,885,816	6,694,641	215,745	40,419,598
1982	632,240,506	418,599,768	65,990,832	352,608,936	n.a.	168,717,936	8,035,335	108,038	36,779,428
1983	627,246,793	411,407,523	61,779,556	349,627,967	n.a.	173,847,854	6,077,202	148,675	35,765,538
1984	680,475,229	437,071,049	74,179,370	362,891,679	n.a.	199,210,028	6,024,985	151,682	38,017,486
1985	742,871,541	474,072,327	77,412,769	396,659,558	n.a.	225,214,568	6,303,418	276,284	37,004,944
1986	782,251,812	497,406,391	80,441,620	416,964,771	n.a.	243,978,380	6,814,417	380,538	33,672,086
1987	886,290,590	568,311,471	102,858,985	465,452,486	n.a.	277,000,469	7,164,681	502,989	33,310,980
1988	935,106,594	583,349,120	109,682,554	473,666,566	n.a.	318,038,990	7,348,679	435,766	25,934,040
1989	1,013,322,133	632,746,069	117,014,564	515,731,504	n.a.	345,625,586	8,143,689	829,457	25,977,333
1990	1,056,365,652	650,244,947	110,016,539	540,228,408	n.a.	367,219,321	9,633,736	2,128,202	27,139,445
1991	1,086,851,401	660,475,445	113,598,569	546,876,876	n.a.	384,451,220	10,237,247	1,235,894	30,551,596
1992	1,120,799,558	675,673,952	117,950,796	557,723,156	n.a.	400,080,904	10,411,450	1,067,666	33,565,587
1993	1,176,685,625	717,321,668	131,547,509	585,774,159	n.a.	411,510,516	11,433,495	1,457,470	34,962,476
1994	1,276,466,776	774,023,837	154,204,684	619,819,153	n.a.	443,831,352	13,500,126	2,106,667	43,004,794
1995	1,375,731,835	850,201,510	174,422,173	675,779,337	n.a.	465,405,305	13,326,051	1,818,343	44,980,627
1996	1,486,546,674	934,368,068	189,054,791	745,313,276	n.a.	492,365,178	15,350,591	2,241,226	42,221,611
1997	1,623,272,071	1,029,513,216	204,492,336	825,020,880	n.a.	528,596,833	17,595,484	2,760,917	44,805,621
1998	1,769,408,739	1,141,335,868	213,270,011	928,065,857	n.a.	557,799,193	21,314,933	3,316,029	45,642,716
1999	1,904,151,888	1,218,510,654	216,324,889	1,002,185,765	n.a.	598,669,865	23,627,320	4,758,287	58,585,763
2000	2,096,916,925	1,372,732,596	235,654,894	1,137,077,702	n.a.	639,651,814	25,618,377	4,103,243	54,810,895
2001	2,128,831,182	1,364,941,523	186,731,643	1,178,209,880	n.a.	682,222,895	25,289,663	3,958,253	52,418,848
2002	2,016,627,269	1,249,171,681	211,437,773	1,037,733,908	n.a.	688,077,238	25,532,186	1,709,329	52,136,835
2003	1,952,929,045	1,181,355,176	194,146,298	987,208,878	n.a.	695,975,801	20,887,883	1,939,025	52,771,160
2004	2,018,502,103	1,220,868,119	230,619,359	990,248,760	n.a.	717,247,296	24,130,143	1,449,319	54,807,225
2005	2,268,895,122	1,414,595,831	307,094,837	1,107,500,994	n.a.	771,441,662	23,565,164	2,040,367	57,252,098
2006	2,518,680,230	1,617,183,944	380,924,573	1,236,259,371	n.a.	814,819,218	26,717,493	1,970,032	57,989,543
2007	2,691,537,557	1,761,777,263	395,535,825	1,366,241,437	n.a.	849,732,729	24,557,815	2,420,138	53,049,612
2008	2,745,035,410	1,780,306,008	354,315,825	1,400,405,178	25,585,005	883,197,626	26,543,433	3,280,502	51,707,840
2009	2,345,337,177	1,415,864,347	225,481,588	1,175,421,788	14,960,969	858,163,864	21,583,131	3,094,191	46,631,646
2010	2,345,055,978	1,453,926,748	277,937,220	1,163,687,589	12,301,939	824,188,337	16,930,741	2,820,095	47,190,057

Footnotes at end of table.

**Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2010—Continued****Footnotes**

n.a.—Not available.

- [1] Beginning with Fiscal Year 2009, adjustments and credits to taxpayer accounts are excluded.
- [2] Includes taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990–T).
- [3] Income tax reported for estates and trusts is included in individual income tax in Fiscal Years 1960–2007. Beginning with Fiscal Year 2008, estate and trust income tax is reported separately.
- [4] Includes taxes for Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI); unemployment taxes under the Federal Unemployment Tax Act (FUTA); and railroad retirement under the Railroad Retirement Tax Act (RRTA).
- [5] Excludes excise taxes collected by the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. The Internal Revenue Service collected taxes on alcohol and tobacco until Fiscal Year 1988, and taxes on firearms until Fiscal Year 1991.
- [6] Represents fiscal-year transitional period, July 1976 through September 1976, resulting from redefinition of the term “fiscal year.” Fiscal Year 1976 covered July 1975 through June 1976 (earlier years were similarly defined). Fiscal Year 1977 covered October 1976 through September 1977 (subsequent years are similarly defined).

**NOTES:**

Detail may not add to totals because of rounding.

All money amounts are in current dollars.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass through any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

SOURCE: Chief Financial Officer, Revenue Financial Management.

Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2010

State	Total Internal Revenue refunds [1]	Business income taxes [1,2]	Individual income tax, employment taxes, and estate and trust income tax			Estate tax	Gift tax	Excise taxes
			Individual income tax [1]	Estate and trust income tax	Employment taxes [3]			
			(1)	(2)	(3)			
<b>United States, total</b>	<b>122,203,039</b>	<b>574,282</b>	<b>119,443,586</b>	<b>305,491</b>	<b>1,764,024</b>	<b>9,179</b>	<b>3,455</b>	<b>103,022</b>
Alabama	1,798,923	6,294	1,762,410	3,163	25,424	95	46	1,491
Alaska	296,362	1,284	287,509	511	6,651	12	0	395
Arizona	2,289,569	9,561	2,245,228	4,019	29,230	122	35	1,374
Arkansas	1,055,011	4,284	1,030,645	1,398	17,738	30	7	909
California	13,801,859	74,337	13,503,789	32,456	178,905	1,728	459	10,185
Colorado	1,963,293	10,604	1,914,008	4,664	32,254	155	55	1,553
Connecticut	1,458,031	6,539	1,423,574	5,788	20,801	176	75	1,078
Delaware	373,817	2,326	361,750	4,217	4,888	26	31	579
District of Columbia	268,703	1,498	261,377	1,156	4,334	57	13	268
Florida	7,817,986	39,510	7,628,724	19,935	123,132	642	398	5,645
Georgia	3,807,216	16,781	3,733,639	5,175	48,739	195	82	2,605
Hawaii	544,826	3,874	531,370	1,592	7,489	71	16	414
Idaho	569,456	3,071	553,213	733	11,799	30	3	607
Illinois	5,290,977	24,013	5,169,319	19,918	72,764	380	103	4,480
Indiana	2,615,831	8,271	2,571,374	3,290	30,964	95	37	1,800
Iowa	1,176,114	8,262	1,147,137	1,519	17,417	48	12	1,719
Kansas	1,096,869	6,924	1,068,609	2,293	17,725	51	33	1,234
Kentucky	1,622,532	5,005	1,594,050	2,238	19,854	65	18	1,302
Louisiana	1,733,046	8,023	1,689,406	2,531	31,424	108	23	1,531
Maine	536,665	2,716	524,756	1,266	7,348	34	4	541
Maryland	2,367,693	10,611	2,318,334	6,688	30,259	229	65	1,507
Massachusetts	2,682,914	11,254	2,621,768	14,146	33,218	275	114	2,139
Michigan	3,928,051	19,669	3,846,376	7,805	51,278	191	80	2,652
Minnesota	2,114,465	11,348	2,064,993	4,574	30,549	120	63	2,818
Mississippi	1,089,133	4,471	1,065,979	1,043	16,735	48	21	836
Missouri	2,311,260	10,963	2,257,065	5,818	34,929	134	40	2,311
Montana	388,678	4,002	374,812	642	8,583	d	d	609
Nebraska	717,287	4,622	697,857	1,341	12,328	33	13	1,093
Nevada	1,117,478	6,439	1,093,366	2,057	14,698	66	24	828
New Hampshire	569,740	2,847	555,713	1,706	9,005	40	11	418
New Jersey	3,599,491	15,353	3,518,072	10,718	52,295	338	98	2,617
New Mexico	781,972	3,178	765,797	1,244	11,272	38	15	428
New York	7,844,716	34,488	7,658,652	23,047	121,449	980	550	5,550
North Carolina	3,562,457	15,276	3,488,778	6,549	48,252	159	65	3,378
North Dakota	262,538	1,900	254,075	275	5,636	15	4	633
Ohio	4,725,692	18,593	4,638,255	11,821	53,075	226	79	3,643
Oklahoma	1,368,866	6,936	1,334,923	2,936	22,789	80	21	1,181
Oregon	1,439,386	9,087	1,401,905	3,487	23,401	96	37	1,373
Pennsylvania	5,270,728	17,373	5,165,491	17,064	65,199	256	96	5,249
Rhode Island	447,920	1,668	435,848	4,282	4,391	52	18	1,661
South Carolina	1,741,410	6,700	1,708,042	2,184	22,963	77	26	1,418
South Dakota	324,468	2,310	313,402	1,179	6,915	21	12	629
Tennessee	2,489,938	8,921	2,437,083	4,646	37,500	103	46	1,639
Texas	9,641,199	45,195	9,400,707	28,951	156,536	564	267	8,979
Utah	1,010,452	4,790	987,094	1,332	16,580	31	7	618
Vermont	268,630	1,630	260,877	747	5,019	29	11	317
Virginia	3,187,797	14,679	3,120,148	6,515	44,142	229	61	2,023
Washington	2,738,242	13,672	2,667,777	7,161	47,316	179	62	2,075
West Virginia	690,959	2,153	677,736	898	9,441	22	7	702
Wisconsin	2,315,991	12,161	2,262,586	5,093	33,235	127	41	2,748
Wyoming	238,953	2,027	229,748	908	5,894	31	16	329
U.S. Armed Service members overseas and Territories other than Puerto Rico	191,147	93	188,536	34	2,436	4	7	37
Puerto Rico	224,289	497	208,337	50	15,373	4	0	28
International	358,731	6,111	348,665	519	2,372	222	24	818
Undistributed [4]	73,282	88	72,902	169	81	d	d	28
<b>Child Tax Credit [5]</b>	<b>17,846,375</b>	<b>N/A</b>	<b>17,846,375</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Earned Income Tax Credit [5]</b>	<b>24,640,794</b>	<b>N/A</b>	<b>24,640,794</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Footnotes at end of table.

**Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2010—Continued****Footnotes**

d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

N/A—Not applicable.

- [1] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law. Refundable tax credits include those associated with the American Recovery and Reinvestment Act (ARRA) of 2009, such as: Making Work Pay Tax Credit, American Opportunity Tax Credit, First-Time Homebuyer Credit, Earned Income Tax Credit, and the Child Tax Credit. Rebate Recovery Credits associated with the Economic Stimulus Act of 2008 are also included. Excludes adjustments and credits.
- [2] Includes refunds of taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990-T).
- [3] Includes refunds on self-employment income under the Self-Employment Insurance Contributions Act (SECA); railroad retirement taxes under the Railroad Retirement Tax Act (RRTA); unemployment taxes under the Federal Unemployment Tax Act (FUTA); and Old-Age, Survivors, Disability and Hospital Insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA).
- [4] Includes refunds of tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts.
- [5] Reflects refundable portions of credits only. Shown separately for information purposes. Counts are included in the State figures and U.S. totals.

**NOTE:**

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Chief Financial Officer, Revenue Financial Management.

**Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2010**

[Money amounts are in thousands of dollars.]

State	Total Internal Revenue refunds [1]	Business income taxes [1, 2]	Individual income tax, employment taxes, and estate and trust income tax			Estate tax	Gift tax	Excise taxes
			Individual income tax [1, 3]	Estate and trust income tax	Employment taxes [4]			
			(1)	(2)	(3)			
<b>United States, total [5]</b>	<b>467,302,973</b>	<b>98,338,609</b>	<b>358,431,274</b>	<b>3,542,928</b>	<b>4,216,048</b>	<b>814,842</b>	<b>93,227</b>	<b>1,866,046</b>
Alabama	6,515,251	1,117,862	5,325,526	16,657	37,860	8,582	535	8,229
Alaska	879,488	58,095	797,797	12,230	9,224	374	0	1,768
Arizona	8,124,825	1,248,009	6,772,453	26,735	49,198	9,987	470	17,972
Arkansas	3,146,961	182,511	2,924,183	8,913	21,345	2,666	2,300	5,043
California	50,687,921	7,296,244	42,459,336	264,867	431,415	151,902	14,896	69,261
Colorado	6,844,894	985,178	5,707,501	40,842	59,392	15,164	1,758	35,060
Connecticut	5,844,435	680,428	4,843,542	159,997	123,176	11,429	1,148	24,715
Delaware	2,855,777	1,417,552	1,011,766	223,907	196,384	3,741	283	2,145
District of Columbia	1,702,975	889,940	793,866	7,497	5,829	5,510	46	286
Florida	28,009,554	2,700,650	24,719,760	214,039	223,774	78,609	4,551	68,170
Georgia	14,136,716	2,673,603	11,256,122	38,195	128,186	12,290	2,543	25,777
Hawaii	1,502,019	107,095	1,371,234	5,964	10,944	5,008	633	1,141
Idaho	1,931,242	315,597	1,584,248	3,330	13,838	11,554	186	2,490
Illinois	20,715,578	3,829,715	16,232,126	381,767	205,446	24,869	1,584	40,071
Indiana	8,564,064	1,269,756	7,172,670	18,837	80,463	3,478	442	18,418
Iowa	3,972,941	816,792	3,105,303	5,278	26,350	3,573	84	15,562
Kansas	3,580,019	578,967	2,926,391	12,503	29,941	3,662	751	27,804
Kentucky	4,682,224	218,761	4,404,342	21,935	28,969	1,993	61	6,163
Louisiana	5,784,777	427,470	5,269,628	30,223	45,123	7,861	270	4,202
Maine	1,523,039	232,303	1,269,664	6,310	9,140	3,601	3	2,017
Maryland	8,228,447	1,050,426	7,022,469	56,963	74,172	17,276	796	6,344
Massachusetts	11,141,341	2,887,062	7,967,550	125,107	132,353	15,806	2,143	11,320
Michigan	14,960,720	4,126,033	10,662,788	40,451	97,992	16,818	1,837	14,801
Minnesota	9,824,448	3,864,013	5,709,378	37,095	141,902	7,352	33,303	31,404
Mississippi	3,349,103	99,805	3,220,647	6,355	17,087	1,962	77	3,170
Missouri	7,560,636	1,214,162	6,194,139	48,087	66,555	8,048	125	29,521
Montana	999,923	39,416	944,816	2,503	8,388	d	d	2,810
Nebraska	2,890,189	995,388	1,851,845	8,248	23,360	1,060	111	10,177
Nevada	4,584,450	681,164	3,726,117	126,742	39,826	5,737	531	4,333
New Hampshire	1,794,983	231,421	1,536,134	6,989	13,535	3,299	19	3,586
New Jersey	17,098,501	5,228,470	11,458,541	131,499	193,779	37,415	1,098	47,699
New Mexico	2,366,637	206,100	2,133,390	7,307	13,943	1,414	443	4,040
New York	35,671,705	9,710,970	25,063,405	353,451	346,201	121,561	10,094	66,023
North Carolina	19,826,539	9,897,893	9,786,440	39,570	81,100	6,631	460	14,445
North Dakota	739,447	62,086	661,923	855	9,784	1,848	2	2,948
Ohio	15,478,392	2,965,028	12,203,157	96,263	138,399	23,694	615	51,236
Oklahoma	5,092,893	1,116,936	3,854,913	26,504	30,837	635	315	62,753
Oregon	4,606,594	838,905	3,681,191	23,145	43,936	9,187	402	9,828
Pennsylvania	18,804,627	4,278,096	14,148,641	157,791	169,503	24,896	363	25,336
Rhode Island	1,689,784	422,727	1,231,159	15,496	18,305	871	68	1,159
South Carolina	5,481,892	741,736	4,674,579	15,219	38,675	7,131	163	4,391
South Dakota	969,594	56,604	836,776	63,839	6,570	1,182	15	4,608
Tennessee	8,863,165	1,621,531	7,094,511	29,864	80,508	20,829	119	15,802
Texas	41,430,929	10,013,168	30,464,565	424,792	314,567	57,620	5,176	151,042
Utah	3,789,252	747,123	2,979,586	7,060	27,713	2,239	4	25,526
Vermont	707,486	60,751	634,912	2,847	4,637	3,353	115	871
Virginia	12,328,552	2,914,082	9,251,008	40,269	98,430	14,484	447	9,832
Washington	9,896,863	1,735,825	7,955,907	52,494	90,510	14,511	1,401	46,214
West Virginia	1,887,191	104,569	1,762,135	3,189	10,717	2,922	26	3,632
Wisconsin	8,172,939	2,141,983	5,887,260	50,391	68,046	9,282	199	15,776
Wyoming	843,325	52,745	746,454	27,345	5,625	5,428	466	5,260
U.S. Armed Services members overseas and Territories other than Puerto Rico	622,285	759	614,076	126	7,247	24	46	7
Puerto Rico	1,025,991	19,209	987,693	133	18,890	[6]	0	66
International	1,727,752	527,504	1,110,395	13,499	39,224	8,792	430	27,908
Undistributed [7]	1,841,693	638,387	425,316	1,415	7,735	d	d	775,882
<b>Child Tax Credit [8]</b>	<b>22,658,626</b>	<b>N/A</b>	<b>22,658,626</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Earned Income Tax Credit [8]</b>	<b>54,711,649</b>	<b>N/A</b>	<b>54,711,649</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Footnotes at end of table.

**Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2010—Continued****Footnotes**

d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

N/A—Not applicable.

- [1] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law. Refundable tax credits include those associated with the American Recovery and Reinvestment Act (ARRA) of 2009, such as: Making Work Pay Tax Credit, American Opportunity Tax Credit, and the First-Time Homebuyer Credit. Under the provisions of ARRA, the Earned Income Tax Credit expanded to a total of \$54.7 billion and the Child Tax Credit expanded to a total of \$22.7 billion. Rebate Recovery Credits associated with the Economic Stimulus Act of 2008 are also included. Reported amounts include \$2.2 billion in interest, of which \$1.4 billion was paid to corporations and \$0.8 billion was paid to all others (related to individual, employment, estate, gift and excise tax returns).
- [2] Includes refunds of taxes on corporation income (Form 1120) and unrelated business income from tax-exempt organizations (Form 990-T).
- [3] The average individual income tax refund (based on Forms 1040, 1040-A and 1040-EZ) was \$3,048.
- [4] Includes refunds of self-employment income under the Self-Employment Insurance Contributions Act (SECA); railroad retirement taxes under the Railroad Retirement Tax Act (RRTA); unemployment taxes under the Federal Unemployment Tax Act (FUTA); and Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA).
- [5] Excludes adjustments and credits.
- [6] Less than \$500.
- [7] Includes refunds of tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts.
- [8] Reflects refundable portions of credits only. Shown separately for information purposes. Refund amounts are included in the State figures and U.S. totals.

**NOTES:**

Collection and refund data may not be comparable for a given fiscal year because payments made in prior years may be refunded in the current fiscal year. Adjustments to prior-year returns made in Fiscal Year 2010 may result in negative amounts when such adjustments exceed current-year refunds. See Table 5 for collections data.

Classification by State is based on the individual's address (or in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

Detail may not add to totals because of rounding.

SOURCE: Chief Financial Officer, Revenue Financial Management.



## Enforcement: Examinations

Enforcement of the tax laws is an integral component of the IRS's mission. IRS enforcement activities, such as examination and collection, target elements of the tax gap and are a high priority for the IRS.

The IRS accepts most Federal tax returns as filed. However, the IRS examines (or audits) some returns to determine if income, expenses, and credits are being reported accurately. Some examinations are handled entirely by mail, while others are conducted in a taxpayer's home, place of business, an Internal Revenue office, or the office of an attorney, accountant, or enrolled agent. The IRS enforces the tax law in a number of ways. For individual taxpayers, some of the more common methods may include:

- sending a notice to a taxpayer because the IRS has an information return that indicates a taxpayer has income, but has not filed a tax return;
- correcting a mistake made by the taxpayer, using its authority to correct math errors and related problems on a return as filed;
- informing a taxpayer that it has a record of income that does not appear on a tax return;
- conducting an examination by mail (correspondence examination); or
- notifying a taxpayer that he or she is being subjected to a face-to-face audit (field examination).

Tables 9a through 12 provide information about examinations of most types of tax returns. Table 9a provides an overview of all examinations of income tax returns, estate and gift tax returns, employment tax returns, excise tax returns, and certain other business tax returns. During Fiscal Year (FY) 2010, the IRS examined almost 1 percent of all returns filed in Calendar Year (CY) 2009, 1.1 percent of all individual income tax returns filed in CY 2009, and 1.4 percent of corporation income tax returns (excluding S corporation returns). Table 9b shows examinations of individual income tax returns by size of adjusted gross income (AGI). Overall, in FY 2010, individual income tax returns in higher AGI classes were more likely to be examined compared to returns in lower AGI classes.

Table 10 provides additional information about those examinations in which the taxpayer did not agree with the IRS examiner's determination. Table 11 provides information on examinations that prevented the erroneous payment of refunds. Table 12 shows the number of examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended. More than 41,000 examinations of individual income tax returns resulted in additional refunds of almost \$810 million.

Table 13 provides information about examinations of tax-exempt organizations, such as charitable organizations and foundations, employee pension plans, Government entities, and tax-exempt bonds. These organizations generally do not owe Federal income tax. However, tax-exempt organizations may owe additional payroll taxes, unrelated business income tax, or excise taxes. In addition, changes to exempt organization returns may lead to adjustments on related taxable returns. Examinations of related returns are also included in Table 13 (and excluded from Tables 9a through 12). The IRS processed 776,300 returns of tax-exempt organizations in CY 2009 and examined 11,449 tax-exempt organization and related returns in FY 2010.

**Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2010**

Type and size of return	Returns filed in Calendar Year 2009 [1,2]		Returns examined in Fiscal Year 2010 [1]		
	All returns	Total	Percentage covered	Field [3]	Correspondence
	(1)	(2)	(3)	(4)	(5)
<b>United States, total</b>	<b>[4] 187,124,450</b>	<b>1,735,083</b>	<b>0.9</b>	<b>462,131</b>	<b>1,272,952</b>
Taxable returns:					
▶ Individual income tax returns, total	142,823,105	[6] 1,581,394	1.1	342,762	1,238,632
▷ Returns with total positive income under \$200,000 [8]:					
▶ Nonbusiness returns without Earned Income Tax Credit:					
Without Schedules C, E, F, or Form 2106 [9]	80,254,935	363,424	0.5	34,682	328,742
With Schedule E or Form 2106 [10]	16,052,553	190,746	1.2	61,268	129,478
▶ Business returns without Earned Income Tax Credit:					
Nonfarm business returns by size of total gross receipts [11]:					
Under \$25,000	10,736,434	132,584	1.2	47,260	85,324
\$25,000 under \$100,000	3,136,694	79,389	2.5	47,784	31,605
\$100,000 under \$200,000	893,707	42,403	4.7	30,333	12,070
\$200,000 or more	705,877	23,569	3.3	21,627	1,942
Farm returns	1,367,656	4,921	0.4	2,122	2,799
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [11, 12]:					
Under \$25,000	22,910,578	[13] 556,809	2.4	17,472	539,337
\$25,000 or more	1,591,972	[13] 28,393	1.8	15,894	12,499
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [8]:					
Nonbusiness returns	3,109,116	78,859	2.5	21,043	57,816
Business returns	1,432,541	41,622	2.9	20,969	20,653
▷ Returns with total positive income of \$1,000,000 or more [8]	388,763	32,494	8.4	16,509	15,985
▷ International returns [14]	242,279	6,181	2.6	5,799	382
▶ Corporation income tax returns, except Form 1120-S, total [15]	2,143,808	29,803	1.4	28,601	1,202
▷ Returns other than Forms 1120-C and 1120-F [16]:					
▶ Small corporations [17]	2,041,474	19,127	0.9	18,258	869
No balance sheet returns	453,583	2,016	0.4	1,800	216
Balance sheet returns by size of total assets:					
Under \$250,000	1,031,229	8,423	0.8	7,935	488
\$250,000 under \$1,000,000	351,196	4,783	1.4	4,741	42
\$1,000,000 under \$5,000,000	175,221	3,011	1.7	2,932	79
\$5,000,000 under \$10,000,000	30,245	894	3.0	850	44
▶ Large corporations [18]	61,570	10,207	16.6	9,934	273
Balance sheet returns by size of total assets:					
\$10,000,000 under \$50,000,000	32,107	4,307	13.4	4,231	76
\$50,000,000 under \$100,000,000	7,756	1,259	16.2	1,232	27
\$100,000,000 under \$250,000,000	8,094	1,191	14.7	1,166	25
\$250,000,000 under \$500,000,000	4,688	754	16.1	735	19
\$500,000,000 under \$1,000,000,000	3,396	615	18.1	581	34
\$1,000,000,000 under \$5,000,000,000	3,943	1,127	28.6	1,060	67
\$5,000,000,000 under \$20,000,000,000	1,139	516	45.3	498	18
\$20,000,000,000 or more	447	438	98.0	431	7
▷ Form 1120-C returns [16]	8,657	32	0.4	29	3
▷ Form 1120-F returns [16]	32,107	437	1.4	380	57
▶ Estate and trust income tax returns	3,095,891	5,298	0.2	801	4,497
▶ Estate tax returns, total	42,366	4,288	10.1	4,288	0
▷ Size of gross estate:					
Under \$5,000,000	33,803	2,206	6.5	2,206	0
\$5,000,000 under \$10,000,000	5,550	1,154	20.8	1,154	0
\$10,000,000 or more	3,013	928	30.8	928	0
▶ Gift tax returns	238,851	1,777	0.7	1,777	0
▶ Employment tax returns	30,158,258	63,937	0.2	43,822	20,115
▶ Excise tax returns	783,926	18,249	2.3	16,200	2,049
▶ Other taxable returns [21]	[5]	541	[5]	269	272
<b>Nontaxable returns [22]:</b>					
▶ Partnership returns	3,423,583	12,406	0.4	8,300	4,106
▶ S corporation returns [23]	4,414,662	16,327	0.4	15,146	1,181
▶ Estate and trust returns	[5]	1,063	[5]	165	898
<b>Income, estate, and gift tax, and nontaxable returns, total</b>	<b>156,182,266</b>	<b>1,652,356</b>	<b>1.1</b>	<b>401,840</b>	<b>1,250,516</b>

Footnotes at end of table.

**Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2010—Continued**

Type and size of return	Percentage of returns examined with no change		Recommended additional tax (thousands of dollars)	
	Field [3]	Correspondence	Total	Field [3]
	(6)	(7)	(8)	(9)
<b>United States, total</b>	<b>[5]</b>	<b>[5]</b>	<b>44,810,483</b>	<b>36,415,664</b>
<b>Taxable returns:</b>				
▶ Individual income tax returns, total	12	14	[7] 15,066,486	6,898,893
▷ Returns with total positive income under \$200,000 [8]:				
▶ Nonbusiness returns without Earned Income Tax Credit:				
Without Schedules C, E, F, or Form 2106 [9]	20	15	1,321,469	274,913
With Schedule E or Form 2106 [10]	9	15	762,653	418,093
▶ Business returns without Earned Income Tax Credit:				
Nonfarm business returns by size of total gross receipts [11]:				
Under \$25,000	7	17	579,400	346,152
\$25,000 under \$100,000	10	11	575,901	298,543
\$100,000 under \$200,000	8	9	923,734	537,748
\$200,000 or more	12	43	528,770	523,683
Farm returns	11	38	15,104	12,397
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [11, 12]:				
Under \$25,000	11	8	2,073,713	76,019
\$25,000 or more	9	23	248,382	212,431
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [8]:				
Nonbusiness returns	20	38	2,005,761	1,150,932
Business returns	14	34	881,617	512,039
▷ Returns with total positive income of \$1,000,000 or more [8]	24	34	5,121,162	2,507,290
▷ International returns [14]	7	1	28,820	28,653
▶ Corporation income tax returns, except Form 1120-S, total [15]	29	52	26,237,074	26,126,609
▷ Returns other than Forms 1120-C and 1120-F [16]:				
▶ Small corporations [17]	30	54	635,005	545,127
No balance sheet returns	15	42	125,033	99,730
Balance sheet returns by size of total assets:				
Under \$250,000	29	59	178,216	176,950
\$250,000 under \$1,000,000	32	71	106,268	106,256
\$1,000,000 under \$5,000,000	35	56	138,855	117,746
\$5,000,000 under \$10,000,000	31	52	86,633	44,445
▶ Large corporations [18]	27	47	25,280,520	25,259,991
Balance sheet returns by size of total assets:				
\$10,000,000 under \$50,000,000	33	42	513,222	512,775
\$50,000,000 under \$100,000,000	36	52	353,846	352,720
\$100,000,000 under \$250,000,000	32	44	650,456	650,456
\$250,000,000 under \$500,000,000	24	32	320,965	320,776
\$500,000,000 under \$1,000,000,000	20	47	652,401	638,159
\$1,000,000,000 under \$5,000,000,000	12	46	2,789,705	2,785,224
\$5,000,000,000 under \$20,000,000,000	6	89	6,572,351	6,572,343
\$20,000,000,000 or more	3	29	13,427,574	13,427,538
▷ Form 1120-C returns [16]	24	100	196,859	196,859
▷ Form 1120-F returns [16]	39	46	124,690	124,632
▶ Estate and trust income tax returns	15	55	40,256	17,663
▶ Estate tax returns, total	17	N/A	1,405,415	1,405,415
▷ Size of gross estate:				
Under \$5,000,000	18	N/A	200,826	200,826
\$5,000,000 under \$10,000,000	17	N/A	458,415	458,415
\$10,000,000 or more	14	N/A	746,174	746,174
▶ Gift tax returns	37	N/A	203,403	203,403
▶ Employment tax returns	14	10	1,245,789	1,155,358
▶ Excise tax returns	35	52	580,356	579,455
▶ Other taxable returns [21]	8	13	31,704	28,868
<b>Nontaxable returns [22]:</b>				
▶ Partnership returns	44	41	N/A	N/A
▶ S corporation returns [23]	33	50	N/A	N/A
▶ Estate and trust returns	36	46	N/A	N/A
<b>Income, estate, and gift tax, and nontaxable returns, total</b>	<b>15</b>	<b>14</b>	<b>42,952,634</b>	<b>34,651,983</b>

Footnotes at end of table.

**Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2010—Continued**

Type and size of return	Recommended additional tax (thousands of dollars)—continued		Average recommended additional tax per return (dollars)	
	Correspondence		Field [3]	Correspondence
	(10)	(11)	(11)	(12)
<b>United States, total</b>	<b>8,394,819</b>	<b>[5]</b>	<b>[5]</b>	<b>[5]</b>
<b>Taxable returns:</b>				
▶ Individual income tax returns, total	8,167,593	20,127		6,594
▷ Returns with total positive income under \$200,000 [8]:				
▶ Nonbusiness returns without Earned Income Tax Credit:				
Without Schedules C, E, F, or Form 2106 [9]	1,046,556	7,927		3,184
With Schedule E or Form 2106 [10]	344,560	6,824		2,661
▶ Business returns without Earned Income Tax Credit:				
Nonfarm business returns by size of total gross receipts [11]:				
Under \$25,000	233,248	7,324		2,734
\$25,000 under \$100,000	277,358	6,248		8,776
\$100,000 under \$200,000	385,986	17,728		31,979
\$200,000 or more	5,087	24,214		2,619
Farm returns	2,707	5,842		967
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [11, 12]:				
Under \$25,000	1,997,694	4,351		3,704
\$25,000 or more	35,951	13,365		2,876
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [8]:				
Nonbusiness returns	854,829	54,694		14,785
Business returns	369,578	24,419		17,895
▷ Returns with total positive income of \$1,000,000 or more [8]	2,613,872	151,874		163,520
▷ International returns [14]	167	4,941		437
▶ Corporation income tax returns, except Form 1120–S, total [15]	110,465	913,486		91,901
▷ Returns other than Forms 1120–C and 1120–F [16]:				
▶ Small corporations [17]	89,878	29,857		103,427
No balance sheet returns	25,303	55,406		117,144
Balance sheet returns by size of total assets:				
Under \$250,000	1,266	22,300		2,594
\$250,000 under \$1,000,000	12	22,412		286
\$1,000,000 under \$5,000,000	21,109	40,159		267,203
\$5,000,000 under \$10,000,000	42,188	52,288		958,818
▶ Large corporations [18]	20,529	2,542,781		75,198
Balance sheet returns by size of total assets:				
\$10,000,000 under \$50,000,000	447	121,195		5,882
\$50,000,000 under \$100,000,000	1,126	286,299		41,704
\$100,000,000 under \$250,000,000	[19]	557,852		[20]
\$250,000,000 under \$500,000,000	189	436,430		9,947
\$500,000,000 under \$1,000,000,000	14,242	1,098,380		418,882
\$1,000,000,000 under \$5,000,000,000	4,481	2,627,570		66,881
\$5,000,000,000 under \$20,000,000,000	8	13,197,476		444
\$20,000,000,000 or more	36	31,154,381		5,143
▷ Form 1120–C returns [16]	0	6,788,241		0
▷ Form 1120–F returns [16]	58	327,979		1,018
▶ Estate and trust income tax returns	22,593	22,051		5,024
▶ Estate tax returns, total	N/A	327,755		N/A
▷ Size of gross estate:				
Under \$5,000,000	N/A	91,036		N/A
\$5,000,000 under \$10,000,000	N/A	397,240		N/A
\$10,000,000 or more	N/A	804,067		N/A
▶ Gift tax returns	N/A	114,464		N/A
▶ Employment tax returns	90,431	26,365		4,496
▶ Excise tax returns	901	35,769		440
▶ Other taxable returns [21]	2,836	107,316		10,426
<b>Nontaxable returns [22]:</b>				
▶ Partnership returns	N/A	N/A		N/A
▶ S corporation returns [23]	N/A	N/A		N/A
▶ Estate and trust returns	N/A	N/A		N/A
<b>Income, estate, and gift tax, and nontaxable returns, total</b>	<b>8,300,651</b>	<b>[5]</b>	<b>[5]</b>	<b>[5]</b>

Footnotes at end of table.

**Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2010—Continued****Footnotes**

N/A—Not applicable.

- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.
- [2] Calendar Year 2009 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.
- [3] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners and revenue officer examiners in person. However, some field examination cases may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [4] Provided by Research, Analysis, and Statistics, Office of Research from Document 6186 (revision October 2010). Some data may differ from those published elsewhere, which were based on an earlier version of Document 6186.
- [5] Not tabulated.
- [6] Includes a total of 473,999 returns with an Earned Income Tax Credit (EITC) claim. These returns were selected for examination on the basis of an EITC claim or other selection criteria. Excludes one return associated with the earned income tax credit qualifying child certification test, which is tracked in IRS's examination database.
- [7] Includes a total of \$1,972,602 thousand in recommended additional tax (including an Earned Income Tax Credit) on returns selected for examination on the basis of an EITC claim or other selection criteria. Excludes \$2 thousand in denied EITC related to the qualifying child certification test. These EITC cases are tracked in IRS's examination database.
- [8] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [9] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [10] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses), but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [11] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [12] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [13] Includes returns selected for examination on the basis of an Earned Income Tax Credit (EITC) claim.
- [14] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [15] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-M (mutual income company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political associations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 21.
- [16] Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC). Forms 1120-C are filed by cooperative associations.
- [17] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [18] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [19] Less than \$500.
- [20] Less than \$0.50.
- [21] Includes 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax (see footnote 23); 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).
- [22] Nontaxable returns are filed for entities that generally do not have a tax liability, but pass through any profits and losses to the underlying owners who include these profits or losses on their income tax returns. The examination of partnership, S corporation, and estate and trust returns affects the amount of recommended additional tax for these associated income tax returns.
- [23] Includes most Forms 1120-S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, S corporations are subject to tax and are included in "other taxable returns" in this table. See footnote 21.

**NOTES:**

Detail may not add to totals because of rounding.

In the 2009 *Data Book*, both "All returns" and "All returns with a filing requirement" were reported in Table 9a. "All returns" included both returns filed by individuals with no reason to file other than to claim an Economic Stimulus Payment, as well as returns filed by individuals with income at or above the filing threshold. The column in the 2009 publication labeled "All returns with a filing requirement" excluded the stimulus-only returns. Economic Stimulus Payments, were special payments to taxpayers associated with the Economic Stimulus Act of 2008 and were claimed primarily in 2008 and 2009. In this 2010 table, "All returns" represents primarily those returns filed because their income is subject to a filing requirement as most taxpayers were not eligible to claim an Economic Stimulus Payment on returns processed during Fiscal Year 2010.

This table includes information on examinations of all individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, partnership, S corporation other taxable returns.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

**Table 9b. Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income, Fiscal Year 2010**

Size of adjusted gross income [1]	Returns filed in Calendar Year 2009 (percent of total) [2]	Examination coverage in Fiscal Year 2010 (percent) [3]
<b>All returns [4]</b>	<b>100.00</b>	<b>1.11</b>
No adjusted gross income [5]	2.11	3.19
\$1 under \$25,000	39.62	1.18
\$25,000 under \$50,000	23.96	0.73
\$50,000 under \$75,000	13.41	0.78
\$75,000 under \$100,000	8.21	0.64
\$100,000 under \$200,000	9.64	0.71
\$200,000 under \$500,000	2.41	1.92
\$500,000 under \$1,000,000	0.41	3.37
\$1,000,000 under \$5,000,000	0.20	6.67
\$5,000,000 under \$10,000,000	0.01	11.55
\$10,000,000 or more	0.01	18.38

[1] Adjusted gross income is total income, as defined by the Tax Code, less statutory adjustments—primarily business, investment, and certain other deductions.

[2] Calendar Year 2009 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2010 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2009 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 134,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return Program (ASFR). In the ASFR Program, the IRS uses information returns (such as Forms W-2 and 1099) to identify persons who failed to file a return and constructs tax returns for certain nonfilers based on that third-party information. These nonfiler cases are excluded from the examination data in this table.

[5] Includes returns with adjusted gross income (AGI) of less than zero. AGI may be less than zero when a taxpayer reports losses or statutory adjustments that exceed total income.

**NOTE:**

In the 2009 *Data Book*, both "All returns" and "All returns with a filing requirement" were reported in Table 9b. "All returns" included both returns filed by individuals with no reason to file other than to claim an Economic Stimulus Payment, as well as returns filed by individuals with income at or above the filing threshold. The column in the 2009 publication labeled "All returns with a filing requirement" excluded the stimulus-only returns. Economic Stimulus Payments, were special payments to taxpayers associated with the Economic Stimulus Act of 2008 and were claimed primarily in 2008 and 2009. In this 2010 table, "All returns" represents primarily those returns filed because their income is subject to a filing requirement as most taxpayers were not eligible to claim an Economic Stimulus Payment on returns processed during Fiscal Year 2010.

SOURCE: Research, Analysis, and Statistics, Office of Research.

**Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2010**

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined with unagreed recommended additional tax [1]			Amount unagreed		
	Total	Field [2]	Correspondence	Total	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
<b>United States, total</b>	<b>42,729</b>	<b>34,051</b>	<b>8,678</b>	<b>23,367,804</b>	<b>23,148,375</b>	<b>219,429</b>
▶ Individual income tax returns, total	34,769	26,130	8,639	3,899,468	3,683,561	215,907
▷ Returns with total positive income under \$200,000 [3]:						
▶ Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [4]	4,158	2,017	2,141	122,320	94,573	27,747
With Schedule E or Form 2106 [5]	5,694	3,712	1,982	123,488	118,189	5,299
▶ Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under \$25,000	4,978	3,884	1,094	74,660	69,772	4,888
\$25,000 under \$100,000	3,714	3,489	225	63,133	61,387	1,746
\$100,000 under \$200,000	2,404	2,316	88	77,384	75,536	1,848
\$200,000 or more	1,876	1,846	30	140,270	140,096	174
Farm returns	190	167	23	3,491	3,414	77
Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under \$25,000	1,692	658	1,034	18,782	14,724	4,058
\$25,000 or more	1,469	1,376	93	48,701	48,391	310
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [3]:						
Nonbusiness returns	3,341	2,303	1,038	948,231	919,804	28,427
Business returns	3,265	2,586	679	191,522	183,178	8,344
▷ Returns with total positive income of \$1,000,000 or more [3]	1,970	1,758	212	2,080,471	1,947,482	132,989
▷ International returns [8]	18	18	0	7,015	7,015	0
▶ Corporation income tax returns, except Form 1120-S, total [9]	2,746	2,729	17	17,935,963	17,935,797	166
▷ Returns other than Forms 1120-C and 1120-F [10]:						
▶ Small corporations [11]	1,501	1,488	13	172,705	172,539	166
No balance sheet returns	145	d	d	32,812	d	d
Balance sheet returns by size of total assets:						
Under \$250,000	610	600	10	42,654	42,516	138
\$250,000 under \$1,000,000	406	d	d	29,807	d	d
\$1,000,000 under \$5,000,000	263	263	0	50,516	50,516	0
\$5,000,000 under \$10,000,000	77	77	0	16,916	16,916	0
▶ Large corporations [12]	1,219	1,215	4	17,543,992	17,543,992	[13]
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	293	293	0	224,907	224,907	0
\$50,000,000 under \$100,000,000	104	104	0	193,446	193,446	0
\$100,000,000 under \$250,000,000	130	130	0	559,020	559,020	0
\$250,000,000 under \$500,000,000	88	88	0	202,614	202,614	0
\$500,000,000 under \$1,000,000,000	78	d	d	394,855	d	d
\$1,000,000,000 under \$5,000,000,000	192	d	d	2,033,033	d	d
\$5,000,000,000 under \$20,000,000,000	149	149	0	5,348,295	5,348,295	0
\$20,000,000,000 or more	185	185	0	8,587,822	8,587,822	0
▷ Form 1120-C returns [10]	6	6	0	194,404	194,404	0
▷ Form 1120-F returns [10]	20	20	0	24,862	24,862	0
▶ Estate and trust income tax returns	76	d	d	8,533	d	d
▶ Estate tax returns, total	213	213	0	570,316	570,316	0
▷ Size of gross estate:						
Under \$5,000,000	95	95	0	83,902	83,902	0
\$5,000,000 under \$10,000,000	64	64	0	101,011	101,011	0
\$10,000,000 or more	54	54	0	385,403	385,403	0
▶ Gift tax returns	119	119	0	79,223	79,223	0
▶ Employment tax returns	3,714	3,714	0	386,971	386,971	0
▶ Excise tax returns	1,079	1,079	0	466,029	466,029	0
▶ Other taxable returns [14]	13	d	d	21,301	d	d

Footnotes at end of table.

**Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2010—Continued****Footnotes**

- d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.
- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.
- [2] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners and revenue officer examiners in person. However, some field examination cases may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [3] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [4] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [5] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses), but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [6] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [7] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [8] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [9] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-M (mutual income company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political associations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 14.
- [10] Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC). Forms 1120-C are filed by cooperative associations.
- [11] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [12] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [13] Less than \$500.
- [14] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

**NOTES:**

Detail may not add to totals because of rounding.

This table includes information on examinations in which the taxpayer did not agree with the IRS examiner's determination. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, partnership, S corporation and other taxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

**Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2010 [1]**

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined involving protection of the revenue base [2]			Amount protected		
	Total [3]	Field [4]	Correspondence	Total [5]	Field [4]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
<b>United States, total</b>	<b>220,084</b>	<b>15,062</b>	<b>205,022</b>	<b>4,101,351</b>	<b>3,364,904</b>	<b>736,447</b>
▶ Individual income tax returns, total	215,992	10,970	205,022	1,041,709	305,262	736,447
▷ Returns with total positive income under \$200,000 [6]:						
▶ Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [7]	97,171	2,235	94,936	258,053	11,687	246,366
With Schedule E or Form 2106 [8]	16,089	1,276	14,813	62,367	8,902	53,465
▶ Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [9]:						
Under \$25,000	14,731	993	13,738	48,642	7,810	40,832
\$25,000 under \$100,000	4,044	916	3,128	15,194	5,974	9,220
\$100,000 under \$200,000	1,309	614	695	6,671	4,210	2,461
\$200,000 or more	1,036	659	377	10,074	8,665	1,409
Farm returns	1,080	83	997	3,387	297	3,090
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [9, 10]:						
Under \$25,000	72,262	249	72,013	360,730	1,865	358,865
\$25,000 or more	3,562	259	3,303	16,298	1,891	14,407
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [6]:						
Nonbusiness returns	1,741	1,316	425	25,922	21,703	4,219
Business returns	1,334	1,143	191	16,495	15,670	825
▷ Returns with total positive income of \$1,000,000 or more [6]	1,319	1,223	96	217,422	216,588	834
▷ International returns [11]	314	4	310	454	0	454
▶ Corporation income tax returns, except Form 1120-S, total [12]	1,672	1,672	0	2,630,316	2,630,316	0
▷ Returns other than Forms 1120-C and 1120-F [13]:						
▶ Small corporations [14]	629	629	0	60,456	60,456	0
No balance sheet returns	182	182	0	43,971	43,971	0
Balance sheet returns by size of total assets:						
Under \$250,000	132	132	0	6,082	6,082	0
\$250,000 under \$1,000,000	62	62	0	975	975	0
\$1,000,000 under \$5,000,000	148	148	0	6,544	6,544	0
\$5,000,000 under \$10,000,000	105	105	0	2,884	2,884	0
▶ Large corporations [15]	1,008	1,008	0	2,526,300	2,526,300	0
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	176	176	0	13,300	13,300	0
\$50,000,000 under \$100,000,000	73	73	0	9,276	9,276	0
\$100,000,000 under \$250,000,000	106	106	0	18,993	18,993	0
\$250,000,000 under \$500,000,000	96	96	0	29,572	29,572	0
\$500,000,000 under \$1,000,000,000	92	92	0	45,507	45,507	0
\$1,000,000,000 under \$5,000,000,000	213	213	0	284,280	284,280	0
\$5,000,000,000 under \$20,000,000,000	117	117	0	1,268,512	1,268,512	0
\$20,000,000,000 or more	135	135	0	856,860	856,860	0
▷ Form 1120-C returns [13]	d	d	0	d	d	0
▷ Form 1120-F returns [13]	d	d	0	d	d	0
▶ Estate and trust income tax returns	160	160	0	4,802	4,802	0
▶ Estate tax returns, total	315	315	0	40,502	40,502	0
▷ Size of gross estate:						
Under \$5,000,000	199	199	0	13,750	13,750	0
\$5,000,000 under \$10,000,000	71	71	0	16,749	16,749	0
\$10,000,000 or more	45	45	0	10,003	10,003	0
▶ Gift tax returns	28	28	0	1,960	1,960	0
▶ Employment tax returns	292	292	0	62,175	62,175	0
▶ Excise tax returns	1,556	1,556	0	312,208	312,208	0
▶ Other taxable returns [16]	69	69	0	7,679	7,679	0

Footnotes at end of table.

**Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2010 [1]—Continued****Footnotes**

- d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals, when possible.
- [1] Protection of the revenue base comprises any action taken by the IRS to prevent the release of funds from the U.S. Treasury in response to taxpayer efforts to recoup all, or part, of previously assessed and paid tax.
- [2] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.
- [3] The number of taxable returns examined involving protection of the revenue base increased significantly from Fiscal Year 2009. Of the 220,084 returns examined involving protection of the revenue base, 179,058 were examinations related to the First-Time Homebuyer Credit.
- [4] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners and revenue officer examiners in person. However, some field examination cases may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [5] Of the \$4,101,351 thousand protected, \$655,298 thousand was related to the First-Time Homebuyer Credit.
- [6] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [7] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [8] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses), but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [9] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [10] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [11] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents). Forms 1120-C are filed by cooperative associations.
- [12] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-M (mutual income company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political associations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 16.
- [13] Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC). Forms 1120-C are filed by cooperative associations.
- [14] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [15] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [16] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

**NOTES:**

Detail may not add to totals because of rounding.

This table includes information on examinations that prevented the erroneous payment of refunds. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, partnership, S corporation and other taxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

**Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2010**

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined resulting in refunds [1]			Recommended refunds		
	Total	Field [2]	Correspondence	Total [3]	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
<b>United States, total</b>	<b>47,901</b>	<b>29,234</b>	<b>18,667</b>	<b>9,607,257</b>	<b>9,466,263</b>	<b>140,994</b>
▶ Individual income tax returns, total	41,136	22,703	18,433	809,596	688,852	120,744
▷ Returns with total positive income under \$200,000 [4]:						
▶ Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [5]	10,809	2,867	7,942	56,789	37,381	19,408
With Schedule E or Form 2106 [6]	4,416	3,085	1,331	63,051	57,652	5,399
▶ Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [7]:						
Under \$25,000	3,865	2,302	1,563	16,615	12,483	4,132
\$25,000 under \$100,000	3,233	2,462	771	15,393	13,410	1,983
\$100,000 under \$200,000	1,956	1,726	230	9,592	8,896	696
\$200,000 or more	1,657	1,587	70	17,199	15,800	1,399
Farm returns	313	251	62	2,087	1,904	183
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [7, 8]:						
Under \$25,000	3,551	755	2,796	6,984	3,102	3,882
\$25,000 or more	1,132	974	158	8,707	8,377	330
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [4]:						
Nonbusiness returns	4,109	2,225	1,884	90,880	48,291	42,589
Business returns	2,787	2,135	652	47,472	42,922	4,550
▷ Returns with total positive income of \$1,000,000 or more [4]	3,191	2,320	871	474,767	438,603	36,164
▷ International returns [9]	117	14	103	60	31	29
▶ Corporation income tax returns, except Form 1120-S, total [10]	2,801	2,766	35	8,342,881	8,325,647	17,234
▷ Returns other than Forms 1120-C and 1120-F [11]:						
▶ Small corporations [12]	1,080	d	d	101,201	d	d
No balance sheet returns	58	55	3	55,918	55,908	10
Balance sheet returns by size of total assets:						
Under \$250,000	410	400	10	7,668	7,550	118
\$250,000 under \$1,000,000	280	280	0	6,683	6,683	0
\$1,000,000 under \$5,000,000	221	221	0	15,129	15,129	0
\$5,000,000 under \$10,000,000	111	d	d	15,803	d	d
▶ Large corporations [13]	1,674	1,656	18	8,099,740	8,083,608	16,132
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	461	456	5	84,670	84,425	245
\$50,000,000 under \$100,000,000	142	d	d	57,821	d	d
\$100,000,000 under \$250,000,000	187	d	d	132,973	d	d
\$250,000,000 under \$500,000,000	179	176	3	213,131	212,901	230
\$500,000,000 under \$1,000,000,000	161	157	4	228,415	220,582	7,833
\$1,000,000,000 under \$5,000,000,000	309	d	d	920,060	d	d
\$5,000,000,000 under \$20,000,000,000	138	d	d	432,886	d	d
\$20,000,000,000 or more	97	d	d	6,029,784	d	d
▷ Form 1120-C returns [11]	d	d	d	d	d	d
▷ Form 1120-F returns [11]	d	d	d	d	d	d
▶ Estate and trust income tax returns	278	154	124	36,539	33,730	2,809
▶ Estate tax returns, total	919	919	0	180,817	180,817	0
▷ Size of gross estate:						
Under \$5,000,000	461	461	0	52,903	52,903	0
\$5,000,000 under \$10,000,000	254	254	0	51,071	51,071	0
\$10,000,000 or more	204	204	0	76,843	76,843	0
▶ Gift tax returns	46	46	0	6,397	6,397	0
▶ Employment tax returns	455	455	0	43,492	43,492	0
▶ Excise tax returns	2,166	2,123	43	134,539	134,503	36
▶ Other taxable returns [14]	100	68	32	52,996	52,825	171

Footnotes at end of table.

**Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2010—Continued****Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals, when possible.

- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.
- [2] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners and revenue officer examiners in person. However, some field examination cases may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [3] The amount of recommended refunds increased from Fiscal Year 2009. Recommended refunds include those refunds identified with IRC section 6405, which are generally complex refunds in excess of \$2 million. IRC section 6405 refunds must be approved by the U.S. Congressional Joint Committee on Taxation.
- [4] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [5] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [6] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses), but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [7] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [8] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [9] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-M (mutual income company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political associations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 14.
- [11] Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC). Forms 1120-C are filed by cooperative associations.
- [12] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [13] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [14] Includes forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

**NOTES:**

Detail may not add to totals because of rounding.

This table provides information on examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended. For information on examinations of all individual income tax, corporation income tax, estate and trust income tax, estate, gift, employment, excise, other taxable returns, partnership, S corporation, and estate and trust returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

**Table 13. Returns of Tax-Exempt Organizations, Employee Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2010**

Type of return	Number of returns
<b>Tax-exempt organization, employee plan, government entity, and tax-exempt bond returns examined in Fiscal Year 2010, total</b>	<b>26,810</b>
<b>Tax-exempt organizations:</b>	
<b>Tax-exempt organization returns processed in Calendar Year 2009 [1]</b>	<b>776,300</b>
<b>Tax-exempt organizations and related taxable returns examined in Fiscal Year 2010, total</b>	<b>11,449</b>
<b>Tax-exempt organization returns, total</b>	<b>3,925</b>
Forms 990 and 990-EZ	3,596
Forms 990-PF, 1041-A, 1120, and 5227 [2]	323
Form 1120-POL	6
<b>Related taxable returns, total</b>	<b>7,524</b>
Employment tax returns [3]	5,276
Form 990-T [4]	971
Form 4720 [5]	334
Forms 1040, 1065, and 1120 adjusted [6]	285
Forms 11-C and 730 [7]	658
<b>Employee plans:</b>	
<b>Employee plan returns processed in Calendar Year 2009 [8]</b>	<b>820,407</b>
<b>Employee plan and related taxable returns examined in Fiscal Year 2010, total [9]</b>	<b>11,159</b>
<b>Employee plan returns, total</b>	<b>8,748</b>
Form 5500	7,607
Defined benefit	800
Defined contribution	6,807
Form 5500-EZ	1,135
Defined benefit	387
Defined contribution	748
Form 5500-SF	6
Defined benefit	d
Defined contribution	d
<b>Related taxable returns, total</b>	<b>1,528</b>
Form 5330 [10]	1,233
Form 990-T [4]	11
Forms 1040, 1065, and 1120 adjusted [6]	284
<b>Government entity and tax-exempt bonds:</b>	
<b>Government entity and tax-exempt bond returns examined in Fiscal Year 2010, total</b>	<b>4,202</b>
<b>Tax-exempt bond returns, total [11]</b>	<b>1,560</b>
<b>Government entity returns, total [12]</b>	<b>2,642</b>
Employment tax returns [3]	2,469
Forms 1040, 1065, and 1120 adjusted [6]	80
Forms 11-C and 730 [7]	93

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

- [1] Includes Forms 990 (tax-exempt organization except private foundation return); 990-EZ (tax-exempt organization except private foundation return, short form); 990-PF (private foundation return); 1041-A (return of charitable contribution deductions by certain trusts); Form 1120-POL (income tax return for certain political organizations); and 5227 (split-interest trust information return). Excludes related tax returns and 254,864 Forms 990-N (electronic notice (e-postcard)).
- [2] Includes Form 1120 (corporation income tax return) of revoked private foundations.
- [3] Includes Forms 940 (employer's Federal unemployment tax return); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943 (employer's tax return for agricultural employees); 944 (employer's tax return); 945 (tax return of withheld income tax from nonpayroll distributions); and 1042 (tax return of withheld income tax on U.S.-source income of foreign persons).
- [4] Form 990-T is the tax-exempt organization unrelated business income tax return.
- [5] Form 4720 is used to report excise taxes on exempt organizations and related individuals.
- [6] Related individual (Form 1040 series), partnership (Form 1065), or corporation (Form 1120 series) returns adjusted as a result of examination of a tax-exempt organization, employee plan, or government entity.
- [7] Form 11-C reports the occupational tax on wagering, and Form 730 reports the excise tax on wagering.
- [8] Includes Forms 5500 (employee benefit plan return); 5500-EZ (one-participant retirement plan return); and 5500-SF (short form return of small employee benefit plan). A funding reduction for EFAST (an electronic filing system for Forms 5500 and 5500-SF) and a programming error in 2009 resulted in a processing delay (until 2010) of approximately 100,000 returns that will be reported in the 2011 *IRS Data Book*. Excludes related taxable returns and welfare benefit and fringe benefit plans, which are not subject to examination by the IRS.
- [9] Includes 883 examinations of plans that were not required to file a return and are, therefore, not categorized by form type.
- [10] Form 5330 is used to report initial excise taxes related to employee plans.
- [11] Includes Forms 8038 (information return of tax-exempt private activity bond issues); 8038-G (information return of government-purpose tax-exempt bond issues); 8038-GC (information return for consolidated small tax-exempt government bond issues); 8038-T (arbitrage rebate return); and 8328 (carryforward election of unused private activity bond volume cap return).

**Table 13. Returns of Tax-Exempt Organizations, Employee Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2010—Continued**

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**Footnotes—Continued**

[12] Includes returns of Federal, State, local, and Indian Tribal governments. Although these entities do not have an income tax return filing requirement, they are subject to excise and employment taxes.

NOTE: In general, examination activity is associated with returns filed in the previous calendar year.

SOURCES: Tax Exempt and Government Entities, Exempt Organizations; Employee Plans; and Government Entities.

## Enforcement: Information Reporting and Verification



The IRS uses tools other than examinations to identify and resolve taxpayer errors. In addition to receiving information about taxpayers' self-reported income and tax on returns filed by taxpayers, the IRS gathers independent information about income received and taxes withheld from third-party 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, the IRS uses information returns from third parties to identify tax return delinquencies (nonfilers); 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 both the Automated Underreporter Program and the Automated Substitute for Return Program. During Fiscal Year (FY) 2010, the IRS received more than 2.6 billion third-party information returns, almost 88 percent of which were filed electronically. Under its Automated Underreporter Program, the IRS closed 4.3 million cases in which a discrepancy was identified between the taxpayer return and third-party information, resulting in more than \$7.2 billion in additional assessments. In FY 2010, under its Automated Substitute for Return Program, the IRS closed almost 1.2 million cases in which a tax return delinquency was identified for nonfilers, resulting in \$13.4 billion in additional assessments.

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 returns processed. For Tax Year (TY) 2009 individual income tax returns processed during Calendar Year 2010, IRS sent 8.4 million notices to taxpayers for almost 10.6 million math errors identified on their returns. Errors related to reporting the Making Work Pay Credit (MWPC) made up the largest portion of total errors for TY 2009 returns. For nearly 4.8 million MWPC cases, the IRS computed the credit for eligible taxpayers who failed to claim it.



**Table 14. Information Reporting Program, Fiscal Year 2010**

Item	Number or amount
<b>Number of information returns received (thousands) [1]:</b>	
<b>Total</b>	<b>2,686,941</b>
Paper	47,424
Electronic	2,363,283
Other [2]	276,234
<b>Automated Underreporter Program [3]:</b>	
Number of contacts (closed cases, thousands) [4]	4,336
Amount of additional assessments (thousands of dollars) [5]	7,238,239
Number of full-time equivalent positions [6]	2,255
<b>Automated Substitute for Return Program [7]:</b>	
Number of contacts (closed cases, thousands) [4]	1,175
Amount of additional assessments (thousands of dollars) [8]	13,441,283
Number of full-time equivalent positions [6]	326

[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] Includes Forms 1099SA/RRB and W-2 processed by the Social Security Administration.

[3] Under the Automated Underreporter Program, the IRS uses information returns from third parties to identify unreported income.

[4] Reflects the number of closed cases for which a notice was issued to a taxpayer.

[5] Excludes interest and penalties.

[6] Reflects the total staff hours expended, converted to the number of full-time positions.

[7] Under the Automated Substitute for Return Program, the IRS uses information returns from third parties to identify tax return delinquencies (nonfilers), constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns.

[8] Includes tax and interest and penalties assessed.

**SOURCES:**

Wage and Investment, Campus Compliance Services, Campus Reporting Compliance, Document Matching; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching; Wage and Investment, Compliance, Reporting Compliance, Policy, Monitoring, Analysis and Quality; Wage and Investment, Compliance, Program Management; Wage and Investment, Compliance, Reporting Compliance, Automated Underreporting Program; Small Business/Self-Employed, Campus Compliance Services, Filing and Payment Compliance, Filing Compliance.

**Table 15. Math Errors on Individual Income Tax Returns, by Type of Error, Calendar Year 2010**

Math error	Tax Year 2009 returns		Tax Year 2008 and prior-year returns	
	Number	Percentage of total	Number	Percentage of total
	(1)	(2)	(3)	(4)
<b>Math error notices, total [1]</b>	<b>8,445,374</b>	<b>N/A</b>	<b>1,003,528</b>	<b>N/A</b>
<b>Math errors, total [1]:</b>	<b>10,554,735</b>	<b>100.0</b>	<b>1,285,706</b>	<b>100.0</b>
Making Work Pay Credit [2]	6,412,242	60.8	168	[3]
Tax calculation/other taxes [4]	947,410	9.0	103,215	8.0
Exemption number/amount	520,899	4.9	180,602	14.1
Earned Income Tax Credit	460,684	4.4	96,083	7.5
Standard/itemized deduction	430,444	4.1	50,744	4.0
Adjusted gross/taxable income amount	351,732	3.3	36,501	2.8
Child Tax Credit	179,597	1.7	29,281	2.3
Refund/amount owed	169,472	1.6	24,758	1.9
Other credits [5]	155,425	1.5	15,551	1.2
First-Time Homebuyer Credit	132,550	1.3	3,680	0.3
Withholding or excess Social Security payments	130,709	1.2	18,053	1.4
Adjustments to income	112,291	1.1	9,549	0.7
Hope and American Opportunity Education Credits	88,467	0.8	0	0.0
Filing status	73,857	0.7	34,643	2.7
Rebate Recovery Credit [6]	877	[3]	668,619	52.0
Other [7]	388,079	3.7	14,259	1.1

N/A—Not applicable.

- [1] A math error notice to the taxpayer may address more than one type of math error. Therefore, the total number of errors exceeds the total number of notices.
- [2] The Making Work Pay Tax Credit (MWPC) was a refundable tax credit based on earned income and was available to taxpayers in 2009 and 2010. Includes cases for which MWPC was not initially claimed on tax returns, but the IRS subsequently computed the credit for eligible taxpayers. There were 4,778,835 of these cases for Tax Year 2009 returns and 82 for Tax Year 2008 returns.
- [3] Less than 0.05 percent.
- [4] 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 household employment tax.
- [5] Encompasses all credits other than the following credits which are shown separately: Making Work Pay Tax Credit, Earned Income Tax Credit, Child Tax Credit, First-Time Homebuyer Credit, Rebate Recovery Credit, and Hope and American Opportunity Education Credits.
- [6] Eligible taxpayers whose circumstances changed may have claimed a Rebate Recovery Credit (RRC) to receive some or all of the unpaid portion of an economic stimulus payment. Economic stimulus payments were special payments to taxpayers associated with the Economic Stimulus Act of 2008. Includes cases where RRC was not claimed on tax returns, but the IRS computed the credit for eligible taxpayers. There were 461 of these cases for Tax Year 2009 returns and 372,943 for Tax Year 2008 returns.
- [7] Includes miscellaneous errors and unique error types not included in any other math error definitions.

NOTES:

Detail may not add to totals because of rounding.

Math errors include a variety of conditions such as computational errors, incorrectly transcribed values, and omitted entries identified during the processing of tax returns.

SOURCE: Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files.



## Enforcement: Collections, Penalties, and Criminal Investigation

The mission of the IRS's Collection function is to collect Federal taxes that are reported or assessed but not paid, and to secure tax returns that have not been filed. Table 16 provides information on these activities. During Fiscal Year (FY) 2010, the IRS collected, net of credit transfers, \$29.8 billion in unpaid assessments on returns filed with additional tax due.

The failure to comply with Federal tax laws may result in civil penalties. Table 17 provides information on penalties assessed and abated during FY 2010, by type of tax and type of penalty. Individuals who deliberately fail to comply with Federal tax laws may also be subject to a criminal investigation, which could result in prosecution, fines, and imprisonment. During FY 2010, the IRS assessed \$28 billion in civil penalties. More than half of that amount, \$14.5 billion, was assessed in civil penalties on individual and estate and trust income tax returns. IRS also abated \$10 billion in civil penalties during the year, including \$4.1 billion in abatements for individual and estate and trust income tax returns.

Table 18 summarizes criminal investigation activity related to legal source tax crimes, illegal source financial crimes, and narcotics-related financial crimes. In FY 2010, IRS initiated 4,706 criminal investigations in these three areas.

Legal source tax investigations involve activities, industries, and occupations that generate legitimate income. The Legal Source Tax Crimes Program also includes cases that may threaten the tax system, such as frivolous challenges to the legitimacy of the tax laws; unscrupulous tax return preparers; and fraudulent refund schemes. During FY 2010, the IRS referred more than 1,000 legal source tax crimes cases for prosecution.

Illegal source financial crimes relate to proceeds derived from illegal sources, other than narcotics, and involve tax and tax-related violations, as well as money laundering. During FY 2010, the IRS referred more than 1,300 illegal source financial crimes cases for prosecution.

The Narcotics Program investigates narcotics-related tax and money-laundering crimes. The IRS often cooperates with the Justice Department and other law enforcement agencies to accomplish its mission. During FY 2010, the IRS referred more than 600 narcotics-related financial crimes cases for prosecution.



**Table 16. Delinquent Collection Activities, Fiscal Years 2007–2010**

[Money amounts are in thousands of dollars]

Activity	2007	2008	2009	2010
	(1)	(2)	(3)	(4)
<b>Returns filed with additional tax due:</b>				
Total yield from unpaid assessments [1]	43,318,830	46,446,261	40,520,516	44,173,492
Credit transfers	11,366,431	17,980,613	13,324,478	14,343,418
Net total amount collected	31,952,399	28,465,648	27,196,038	29,830,074
Taxpayer delinquent accounts (thousands):				
Number in beginning inventory	7,074	8,240	9,232	9,667
Number of new accounts	7,146	7,099	6,821	7,994
Number of accounts closed	5,980	6,107	6,385	7,269
Ending inventory:				
Number	8,240	9,232	9,667	10,391
Balance of assessed tax, penalties, and interest [2]	83,488,988	94,357,717	103,241,178	114,235,064
<b>Returns not filed timely:</b>				
Delinquent return activity:				
Net amount assessed [3]	30,287,802	24,888,918	33,413,470	29,108,690
Amount collected with delinquent returns	3,968,163	3,773,528	3,204,391	2,353,832
Taxpayer delinquency investigations (thousands) [4]:				
Number in beginning inventory	3,874	3,732	3,433	3,530
Number of new investigations	2,587	1,972	2,211	2,273
Number of investigations closed	2,729	2,271	2,113	2,103
Number in ending inventory	3,732	3,433	3,530	3,700
<b>Offers in compromise (thousands) [5]:</b>				
Number of offers received	46	44	52	57
Number of offers accepted	12	11	11	14
Amount of offers accepted	228,975	200,103	157,261	129,668
<b>Enforcement activity:</b>				
Number of notices of Federal tax liens filed	683,659	768,168	965,618	1,096,376
Number of notices of levy served on third parties	3,757,190	2,631,038	3,478,181	3,606,818
Number of seizures	676	610	581	605

[1] Includes amounts collected through collection activity on previously unpaid assessed taxes plus assessed and accrued penalties and interest. "Total yield from unpaid assessments" was reported as "Total yield from taxpayer delinquent accounts" in prior years' *Data Books*. The terminology has been revised for clarification, but the data definition has not changed.

[2] Includes assessed penalties and interest but excludes any accrued penalties and interest. Assessed penalties and interest—usually determined simultaneously with the unpaid balance of tax—are computed on the unpaid balance of tax from the due date of the return to the date of assessment. Penalties and interest continue to accrue after the date of assessment until the taxpayer's balance is paid in full.

[3] Includes net assessment of tax, penalty, and interest amounts (less prepaid credits, withholding, and estimated tax payments) on delinquent tax returns secured by Collection activity.

[4] A delinquency investigation is opened when a taxpayer does not respond to an IRS notice of a delinquent return.

[5] An offer in compromise (OIC) is an agreement between a taxpayer and the Federal government that settles a tax liability for payment of less than the full amount owed. Absent special circumstances, an offer will not be accepted if the IRS believes the liability can be paid in full as a lump sum or through a payment agreement.

NOTES: Amounts include delinquent collections activities for the entire IRS. Detail may not add to totals because of rounding. All amounts are in current dollars.

SOURCE: Small Business/Self-Employed, Collection Planning and Analysis, Workload Planning and Performance Analysis, Performance Reports and Analysis.

**Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2010 [1]**

[Money amounts are in thousands of dollars]

Type of tax and type of penalty	Civil penalties assessed		Civil penalties abated [2]	
	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)
<b>Civil penalties, total</b>	<b>37,055,841</b>	<b>28,055,115</b>	<b>4,874,920</b>	<b>10,025,544</b>
<b>Individual income tax:</b>				
<b>Civil penalties, total [3]</b>	<b>27,106,767</b>	<b>14,525,188</b>	<b>3,039,087</b>	<b>4,109,484</b>
Accuracy [4]	469,321	1,069,785	58,107	241,645
Bad check	152,225	14,212	6,770	4,791
Delinquency	3,529,203	5,871,164	804,058	2,195,182
Estimated tax	7,412,249	1,617,298	263,299	267,794
Failure to pay	15,538,896	5,828,731	1,901,839	1,346,024
Fraud	2,218	123,458	236	48,255
Other [5]	2,655	539	4,778	5,794
<b>Business income tax:</b>				
<b>Civil penalties, total</b>	<b>1,145,931</b>	<b>1,770,628</b>	<b>263,261</b>	<b>776,088</b>
Accuracy [4, 6]	3,640	334,558	146	47,625
Bad check [6]	1,826	164	111	137
Delinquency [6]	639,251	758,432	173,326	421,878
Estimated tax [6]	213,035	231,940	12,349	106,221
Failure to pay [6]	269,950	374,144	72,123	183,134
Fraud [6]	161	14,334	7	662
S corporation/partnership information [7]	18,022	54,685	1,607	8,611
Other [6]	46	2,371	3,592	7,819
<b>Employment taxes:</b>				
<b>Civil penalties, total [8]</b>	<b>7,838,423</b>	<b>5,778,753</b>	<b>1,376,063</b>	<b>2,477,757</b>
Accuracy [4]	1,786	8,827	218	529
Bad check	33,613	2,199	1,476	194
Delinquency	1,646,392	1,461,043	292,063	524,462
Estimated tax	3,688	12,723	726	6,680
Failure to pay	4,135,675	1,176,674	672,498	316,886
Federal tax deposits	2,016,966	3,108,562	409,049	1,628,555
Fraud	290	8,137	28	445
Other	13	587	5	6
<b>Excise taxes:</b>				
<b>Civil penalties, total [9]</b>	<b>515,889</b>	<b>482,863</b>	<b>136,514</b>	<b>396,036</b>
Accuracy [4]	1,038	521	97	283
Bad check	3,800	124	235	25
Daily delinquency	78,471	285,894	61,489	239,018
Delinquency	173,660	37,187	13,105	7,497
Estimated tax	5,799	1,178	364	289
Failure to pay	225,358	24,934	42,586	8,187
Federal tax deposits	3,076	14,441	1,064	9,241
Other	24,687	118,584	17,574	131,497
<b>Estate and gift tax:</b>				
<b>Civil penalties, total [10]</b>	<b>10,865</b>	<b>205,156</b>	<b>6,198</b>	<b>147,791</b>
Accuracy [4]	88	6,686	5	479
Bad check	92	655	63	612
Delinquency	3,600	116,577	2,384	100,995
Failure to pay	6,789	77,283	3,576	43,912
Fraud	3	745	0	0
Other	293	3,209	170	1,792
<b>Nonreturn penalties [11]</b>	<b>437,966</b>	<b>5,292,526</b>	<b>53,797</b>	<b>2,118,388</b>

[1] Assessments and abatements of penalties included here were recorded in Fiscal Year 2010 regardless of the tax year to which the penalty may apply.

[2] An abatement is a reduction of assessed penalties. The IRS may approve an abatement of a penalty for: IRS error; reasonable cause; administrative and collection costs not warranting collection of penalty; discharge of penalty in bankruptcy; and the IRS's acceptance of partial payment of assessed penalty.

[3] Represents penalties associated with the Form 1040 series (individual income tax series) and Form 1041 (estate and trust income tax return).

[4] Represents penalties for negligence; substantial understatement of income tax; substantial valuation misstatement; substantial overstatement of pension liabilities; substantial estate or gift tax valuation understatement (under Internal Revenue Code section 6662); understatement of reportable transactions (under Internal Revenue Code section 6662A); and underpayment of stamp tax (under Internal Revenue Code section 6653).

[5] Represents penalties related to failure to supply taxpayer identification number and failure to report tip income.

[6] Represents penalties associated with the Form 1120 series (corporation income tax return series) and Form 990-T (tax-exempt organization unrelated business income tax return).

**Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2010—Continued****Footnotes—Continued**

- [7] Represents penalties associated with failure to provide information on Forms 1065 (partnership return) or 8752 (required payment or refund for an S corporation or partnership under Internal Revenue Code section 7519), or failure to file electronically Form 1065-B (large partnership return).
- [8] Represents penalties associated with Forms 940 (employer's Federal unemployment tax return); 941 (employer's quarterly tax return for income and Social Security taxes withheld); 942 (employer's tax return for household employees); 943 (employer's tax return for agricultural employees); 944 (employer's annual tax return); 945 (tax return for withheld income tax from nonpayroll distributions); 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return).
- [9] Represents penalties associated with Forms 11-C (occupational tax and registration for wagering return); 720 (excise tax return); 730 (tax return for wagering); 990 (tax-exempt organization information return); 990-PF (private foundation return); 1041-A (trust accumulation of charitable amounts information return); 2290 (heavy highway vehicle use tax return); 4720 (excise tax return of charities and other persons); and 5227 (split-interest trust information return).
- [10] Represents penalties associated with Forms 706 (estate tax return) and 709 (gift tax return).
- [11] Represents various penalties assessed and abated for a wide range of noncompliant behaviors, such as noncompliance related to tax return preparers and to information returns (e.g., Forms 1099, W-2, 3520A, 8027, 8300), as well as aiding and abetting; frivolous return filings; and misuse of dyed fuel. Also includes trust fund recovery penalties. Withheld income and employment taxes, including Social Security taxes, railroad retirement taxes, or collected excise taxes, are collectively called trust fund taxes because employers actually hold the employee's money in trust until they make a Federal tax deposit in that amount. Trust fund recovery penalties are assessed when these employment taxes are not collected, accounted for, and paid timely. The amount of trust fund recovery penalties credited in Fiscal Year 2010 was \$630,573 thousand and is included in the amount abated.

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

SOURCE: Chief Financial Officer, Revenue Financial Management.

**Table 18. Criminal Investigation Program, by Status or Disposition, Fiscal Year 2010**

Status or disposition	Total	Legal source tax crimes [1]	Illegal source financial crimes [2]	Narcotics-related financial crimes [3]
	(1)	(2)	(3)	(4)
<b>Investigations initiated</b>	<b>4,706</b>	<b>1,948</b>	<b>1,903</b>	<b>855</b>
<b>Investigations discontinued</b>	<b>1,291</b>	<b>698</b>	<b>408</b>	<b>185</b>
Referrals for prosecution	3,034	1,035	1,340	659
Indictments and informations [4]	2,645	812	1,302	531
Convictions	2,184	726	1,010	448
Sentenced	2,172	696	971	505
Incarcerated [5]	1,770	559	763	448
Percentage of those sentenced who were incarcerated [5]	81.5	80.3	78.6	88.7

[1] Under the Legal Source Tax Crimes Program, IRS Criminal Investigation identifies, investigates, and assists in the prosecution of crimes involving legal industries, legal occupations, and, more specifically, legally earned income associated with the violation of Title 26 (tax violations) and Title 18 (tax-related violations) of the U.S. Code. The Legal Source Tax Crimes Program also includes those cases that threaten the tax system, such as Questionable Refund Program (QRP) cases, unscrupulous return preparers, and frivolous filers/nonfilers who challenge the legality of the filing requirements. Excise tax and employment tax cases are also important elements of the Legal Source Tax Crimes Program.

[2] Under the Illegal Source Financial Crimes Program, IRS Criminal Investigation identifies, investigates, and assists in the prosecution of crimes involving proceeds derived from illegal sources other than narcotics. These encompass all tax and tax-related violations, as well as money-laundering and currency violations under the following statutes: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. The utilization of forfeiture statutes to deprive individuals and organizations of illegally obtained assets is also linked to the investigation of criminal charges within this program.

[3] Under the Narcotics-Related Financial Crimes Program, IRS Criminal Investigation seeks to identify, investigate, and assist in the prosecution of the most significant narcotics-related tax and money-laundering offenders. The IRS derives authority for this program from the statutes for which it has jurisdiction: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. IRS Criminal Investigation also devotes resources to high-level multiagency narcotics investigations warranting Organized Crime Drug Enforcement Task Force (OCDETF) designation in accordance with OCDETF Program reimbursable funding.

[4] Both "indictments" and "informations" are accusations of criminal charges. An "indictment" is an accusation made by a Federal prosecutor and issued by a Federal grand jury. An "information" is an accusation brought by a Federal prosecutor without the requirement of a grand jury.

[5] The term "incarcerated" may include prison time, home confinement, electronic monitoring, or a combination thereof.

NOTE: Investigations may cross fiscal years. Therefore, the disposition of investigations shown in this table may be related to investigations initiated in prior years.

SOURCE: Criminal Investigation, Communications and Education Division.

# Taxpayer Assistance



The IRS assists taxpayers in meeting their Federal tax return filing and payment obligations in a variety of ways, such as through its telephone helpline, via the Internet, at IRS walk-in sites, and through volunteer income tax return preparers. Table 19 provides information about some of the programs and services designed to help individual income tax return filers. In Fiscal Year (FY) 2010, the IRS provided taxpayer assistance through 305 million visits to IRS.gov and assisted more than 78 million taxpayers through its telephone helpline or at walk-in sites.

Table 20 provides information about the Taxpayer Advocate Service (TAS). TAS is an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent those problems in the future. Taxpayers may submit an application for assistance to TAS. In FY 2010, TAS received 298,933 applications for assistance and closed 286,298 applications.

Table 21 provides information on the workload of IRS's Appeals Office. The Appeals mission is to resolve tax controversies, without litigation, on a basis that is fair and impartial to both the taxpayer and the Federal government. The Appeals Office considers cases that involve examination, collection, and penalty issues. Taxpayers who disagree with the IRS findings in their cases may request an Appeals hearing. The local Appeals Office is separate and independent of the IRS office that proposed the tax adjustment, collection action, or penalty. During FY 2010, the IRS received 135,755 taxpayer cases and closed 133,090 cases. The majority of cases received were taxpayer requests for hearings in response to notices of intent to levy or notices of Federal tax liens.



**Table 19. Taxpayer Assistance and Education Programs for Individual Taxpayers, by Type of Assistance or Program, Fiscal Year 2010**

Type of assistance or program	Number or percentage
<b>Call or walk-in assistance, total</b>	<b>78,160,917</b>
Toll-free assistance calls [1]:	
Automated	35,110,254
Live	36,672,240
Taxpayer Assistance Center contacts [2]	6,378,423
<b>Accuracy of toll-free telephone assistance:</b>	
Tax law questions (percentage accurate)	92.7
Account questions (percentage accurate)	95.7
<b>Forms and publications (paper products):</b>	
Orders for forms, publications, and paper products	3,386,286
Libraries, banks, postal service distribution sites, grocery stores, copy centers, and office supply outlets stocking paper products [3]	19,688
<b>Assistance provided through the Internet (IRS.gov):</b>	
IRS Web site usage [4]:	
Number of visits	304,775,399
Number of page views	1,652,083,945
Number of downloads [5]	220,310,264
Individual electronic transactions, total [6]	75,124,300
"Where's My Economic Stimulus Payment" [6]	861,776
"Where's My Refund"	66,887,207
Transcript Delivery System [7]	3,938,923
Online Employer Identification Number applications	3,105,225
Disclosure authorizations [8]	224,114
Online payment agreements	61,458
Preparer Tax Identification Number	45,597
<b>Disaster and emergency assistance:</b>	
Disaster incidents [9]:	
State incidents	16
County/city incidents	235
Taxpayers assisted:	
Toll-free disaster hot line [10]	49,001
Disaster Recovery Centers	2,213
<b>Taxpayer education and tax return preparation:</b>	
Returns prepared through Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs	3,085,512
Volunteers assisting in taxpayer education and return preparation programs	87,602
Volunteer Tax Preparation Assistance sites	12,326

- [1] Includes calls answered by Customer Account Services and automated calls (including TeleTax and Tax Exempt and Government Entities Division), but excludes calls answered by Automated Collection Services.
- [2] Includes contacts at 401 sites where taxpayers are served at IRS Taxpayer Assistance Centers and alternative IRS sites (libraries and post offices). Excludes Volunteer Income Tax Assistance and Tax Counseling for the Elderly sites, which are shown separately in the last section of this table.
- [3] Represents the number of organizations distributing forms and publications. Each organization may have multiple branches.
- [4] An increasing number of taxpayers receive assistance via www.IRS.gov. This online assistance is reported as visits, page views, and downloads. A Web site visit is a session that begins when a user views his or her first Web page and ends when the user leaves the IRS.gov Web site. Users may access multiple Web pages during a single visit to the IRS Web site, these are counted as page views. A download is the process of copying a file, such as Form 1040, from the IRS.gov Web site to the user's personal computer.
- [5] The number of downloads was incorrectly reported as 213.3 million in "Internal Revenue Service FY 2010 Management Discussion and Analysis At a Glance" and has been revised to 220.3 million as of January 2011.
- [6] The number of Individual Electronic Transactions decreased for Fiscal Year 2010 since the number of "Where's My Economic Stimulus Payment" electronic transactions decreased significantly. These Economic Stimulus Payments were special payments associated with the Economic Stimulus Act of 2008 and were generally provided to taxpayers in 2008 and 2009. Eligible taxpayers whose circumstances changed may have claimed a Rebate Recovery Credit to receive some or all of the unpaid portion of an Economic Stimulus Payment.
- [7] The Transcript Delivery System enables authorized tax practitioners to order tax account, tax return transcript, and other tax information for their business and individual clients. These documents are returned to the practitioner's computer through a secure online connection within minutes of the request.
- [8] Eligible tax practitioners may electronically request authorization to receive a client's tax account information or to represent the client before the IRS. This e-service expedites processing and issues a real-time acknowledgment of accepted submissions.
- [9] Reflects events declared by the Federal Emergency Management Agency as major disaster areas for which the IRS granted administrative tax relief. Some States and counties/cities were affected more than once.
- [10] In Fiscal Year 2010, the number of toll-free disaster hotline calls was lower than in 2009 because there were fewer State and county disaster incidents.

SOURCE: Wage and Investment, Strategy and Finance, Operations Planning and Analysis.

**Table 20. Taxpayer Advocate Service: Postfiling Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2010**

Type of issue and relief	Number	Percentage of total
<b>Applications for taxpayer assistance received, by type of issue [1]:</b>		
<b>Total</b>	<b>298,933</b>	<b>100.0</b>
Processing amended returns	30,891	10.3
Open examination	26,182	8.8
Unpostable and rejected returns	22,341	7.5
Levies	18,015	6.0
Stolen identity	17,291	5.8
Examination reconsideration	12,843	4.3
Processing original returns	11,997	4.0
Expediting refund requests	11,755	3.9
Earned Income Tax Credit	11,198	3.7
Injured spouse claims	7,777	2.6
IRS offset to IRS tax liabilities	6,865	2.3
Other refund inquiries/issues	6,707	2.2
Closed Automated Underreporter Program [2]	6,137	2.1
Returned and stopped refunds	6,115	2.0
Installment agreements	6,039	2.0
All others	96,780	32.4
<b>Applications for taxpayer assistance closed, by type of resolution [1]:</b>		
<b>Total</b>	<b>286,298</b>	<b>100.0</b>
<b>Relief provided to taxpayer, total</b>	<b>210,867</b>	<b>73.7</b>
Taxpayer Assistance Order issued [3, 4]	48	[5]
No Taxpayer Assistance Order issued [3]	210,819	73.6
Full relief	197,399	68.9
Individual taxpayer issue [6]	176,380	61.6
Systemic issue [7]	21,019	7.3
Partial relief	13,420	4.7
Individual taxpayer issue [6]	12,101	4.2
Systemic issue [7]	1,319	0.5
<b>No relief provided to taxpayer, total</b>	<b>75,431</b>	<b>26.3</b>
Taxpayer Assistance Order rescinded [3, 4]	8	[5]
No Taxpayer Assistance Order issued [3]	75,423	26.3
No response from taxpayer	36,656	12.8
Relief provided prior to Taxpayer Advocate Service intervention	17,926	6.3
Taxpayer withdrew application for assistance	3,884	1.4
Tax law precluded relief	1,605	0.6
Hardship not related to revenue laws	1,008	0.4
Hardship not validated	810	0.3
All others	13,534	4.7
<b>Congressional inquiries [8]</b>	<b>15,711</b>	<b>N/A</b>

N/A—Not applicable.

- [1] Taxpayers may submit an application for assistance to the Taxpayer Advocate Service (TAS). These applications for taxpayer assistance may be received in one fiscal year and closed in another. In Fiscal Year 2010, 298,933 applications for assistance were received, and 286,298 were closed. Of the applications for taxpayer assistance received in Fiscal Year 2010, 43,450 (14.5 percent) were related to the First-Time Homebuyer Credit. These applications are included in the issues presented below.
- [2] Under the Automated Underreporter Program, the IRS uses information returns from third parties to identify unreported income.
- [3] The Taxpayer Advocate Service issues Taxpayer Assistance Orders (TAOs) on behalf of taxpayers. A TAO directs an IRS organizational unit to take a specific action or to review, expedite consideration of, or reconsider a taxpayer's case. However, in the majority of cases, the Taxpayer Advocate Service can resolve taxpayers' issues without issuing TAOs.
- [4] Taxpayer Assistance Orders (TAOs) may be issued in one fiscal year and closed in another. In Fiscal Year 2010, 95 TAOs were issued, and 56 TAOs were closed (48 were closed with relief provided to the taxpayer, and 8 were rescinded).
- [5] Less than 0.05 percent.
- [6] A single issue (applicable to an individual, corporation, or other entity) that requires a change or modification to an account.
- [7] Requires a change or modification to an established procedure, process, or operation (e.g., computer program) that potentially impacts more than one taxpayer.
- [8] In this table, "Congressional inquiries" (related to constituents tax accounts) refers to those applications for taxpayer assistance received from Congressional offices during the fiscal year. This item is shown separately for information purposes, but counts are included in the data above.

NOTES:

The Taxpayer Advocate Service is an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent these problems.

Detail may not add to totals because of rounding.

SOURCE: Taxpayer Advocate Service, Business Assessment.

**Table 21. Appeals Workload, by Type of Case, Fiscal Year 2010**

Type of case	Cases received	Cases closed	Cases pending September 30, 2010
	(1)	(2)	(3)
<b>Total cases [1]</b>	<b>135,755</b>	<b>133,090</b>	<b>72,779</b>
Collection Due Process [2]	49,049	46,941	25,754
Examination [3]	42,144	41,943	28,057
Penalty Appeals [4]	10,918	11,910	5,028
Offers in Compromise [5]	11,043	11,149	5,182
Innocent Spouse [6]	5,341	4,610	2,988
Industry Cases [7]	2,099	1,698	1,991
Coordinated Industry Cases [8]	330	319	716
Other [9]	14,831	14,520	3,063

[1] A case represents a taxpayer with one type of tax and one or more tax periods under consideration in Appeals.

[2] A taxpayer may request a Collection Due Process (CDP) hearing in Appeals in response to a Notice of Intent to File Levy or Notice of Federal Tax Lien Filing. The CDP hearing provides the taxpayer an opportunity, early in the collection process, to work with an independent hearing officer to resolve the collection of the taxpayer's liability.

[3] An Examination case in Appeals may originate from the IRS Wage and Investment Division, Small Business/Self-Employed Division, or the Tax Exempt and Government Entities Division. Examination cases involve issues in dispute by the taxpayer relating to income tax, employment tax, excise tax, estate tax, gift tax, or tax exempt status.

[4] A Penalty Appeals case is one in which the taxpayer requests abatement of a civil penalty that was assessed before the taxpayer was given an opportunity to dispute the penalty. The taxpayer may submit a written request for abatement of the penalty to IRS Compliance Operations, and if the request is denied, the taxpayer may appeal.

[5] An Offer in Compromise is an agreement between a taxpayer and the Government that settles a tax liability in exchange for payment of less than the full amount owed. A taxpayer's offer may be rejected by the IRS Small Business/Self-Employed Division, and the taxpayer may request that Appeals review and decide whether the offer is acceptable.

[6] A taxpayer who files a joint income tax return may be entitled to innocent spouse relief from additional tax due if the tax was incurred because a spouse or former spouse failed to report income, reported income improperly, or claimed improper deductions or credits. An Innocent Spouse case in Appeals is one in which the taxpayer requested and was denied innocent spouse relief by the IRS Wage and Investment Division or Small Business/Self-Employed Division.

[7] An Industry Case in Appeals will originate from the IRS Large and Mid-Sized Business Division (LMSB) and is any type of case from LMSB that is not designated as a Coordinated Industry Case (CIC). See footnote 8.

[8] A CIC designation may be assigned to a large corporate taxpayer by the IRS Large and Mid-Sized Business (LMSB) Division based on factors such as the taxpayer's gross assets, gross receipts, operating entities, industries, and/or foreign assets. A CIC taxpayer may appeal the findings of the examination conducted by LMSB.

[9] Cases considered by Appeals involving issues related to abatement of interest, Collection Appeals Program, Director of Practice, Freedom of Information Act, Trust Fund Recovery Penalty, Collection Due Process Timeliness Determination, and other miscellaneous penalties are grouped into the "Other" category and are defined below:

*Abatement of interest*—A taxpayer may file a claim for abatement of interest on tax deficiencies or payments attributable to errors or delays in the performance of ministerial acts by the IRS. A ministerial act is a procedural or mechanical act that does not involve the exercise of judgment or discretion and that occurs during the processing of a taxpayer's case after all prerequisites to the act have taken place.

*Collection Appeals Program*—Provides the taxpayer, or a third party whose property is subject to a collection action, an administrative appeal for certain collection actions, including levy or seizure action, that was or will be taken, Notice of Federal Tax Lien that was or will be filed, and rejected or terminated installment agreements.

*Director of Practice*—A tax professional may appeal the findings of the IRS Office of Professional Responsibility (OPR) (formerly the IRS Office of the Director of Practice). OPR has oversight responsibility for tax professionals and investigates allegations of misconduct and negligence against attorneys, certified public accountants, enrolled agents, and other practitioners representing taxpayers before the IRS. In addition, IRS e-file applicants and providers may request an administrative review when the applicant is denied participation in IRS e-file or the provider is sanctioned while participating in IRS e-file.

*Freedom of Information Act*—A taxpayer may appeal the denial by the IRS Disclosure Office of a request for records made under the Freedom of Information Act.

*Trust Fund Recovery Penalty*—An employer is required to pay trust fund taxes to the U.S. Treasury through Federal Tax Deposits. Trust fund taxes are the taxes withheld from employees' paychecks for income tax and the employees' share of Social Security and Medicare taxes. A Trust Fund Recovery Penalty may be proposed against the responsible person(s) by the IRS Collection Division for the total amount of trust fund taxes evaded, not collected, or not accounted for and not paid to the U.S. Treasury. The taxpayer may appeal Collection's determination.

*Collection Due Process Timeliness Determination*—When a taxpayer's request for a Collection Due Process hearing or an equivalent hearing is not received timely or the request cannot be processed, Appeals may review the request and make a separate timeliness determination.

*Other penalties*—This subcategory includes a variety of different types of penalties that may be appealed. Tax return preparers may appeal penalties imposed under Internal Revenue Code (IRC) Sections 6694 and 6695 for understatement of a taxpayer's tax liability or with respect to preparation of a tax return. Tax shelter promoters may appeal penalties imposed under IRC Sections 6700 or 6701 for aiding and abetting an understatement of tax liability. A penalty imposed under IRC Section 6715 for Dyed Diesel Fuel may be appealed. A taxpayer may appeal the denial of an application for an extension of time to pay estate tax under the provisions of IRC Section 6161.

SOURCE: Appeals, Strategic Planning, Measures Analysis.



# Tax-Exempt Activities

The image shows two IRS forms. The top form is Form 990, 'Return of Organization Exempt from Income Tax', for the year 2009. It includes sections for 'A For the 2009 calendar year, or', 'B Check if applicable' (with checkboxes for address change, name change, initial return, terminated, amended return, and application pending), 'C Name' (with fields for Doing, Number, and City), and 'F Name and a'. The bottom form is Form 1023, 'Application for Recognition of Exempt Status Under Section 501(c)(3)', dated June 2009. It includes instructions for completing the application and for a determination of tax-exempt status.

The IRS devotes significant resources to meeting the special needs of tax-exempt organizations, qualified pension benefit plans, and Government entities in complying with tax laws. While these entities are not subject to Federal income tax, they nonetheless represent a significant aspect of tax administration.

Table 22 summarizes IRS activities, such as issuing technical guidance, to assist tax-exempt entities and facilitate their compliance with Federal tax laws. Table 23 provides information about applications for determination of tax-exempt status for employee pension plans. Table 24 provides information about applications for tax-exempt status that were closed during Fiscal Year (FY) 2010. Table 25 shows the total number of approved tax-exempt organizations for Fiscal Years 2007 through 2010. More than 65,000 tax-exempt organizations and other entities, including almost 60,000 religious, charitable, and similar organizations, applied for tax-exempt status during FY 2010. Of those, the IRS approved tax-exempt status for almost 54,000 organizations. In FY 2010, the IRS recognized more than 1.9 million tax-exempt organizations and nonexempt charitable trusts.



**Table 22. Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2010 [1]**

Activity	Number
<b>Total activities</b>	<b>1,048</b>
<b>Tax-exempt organizations</b>	<b>965</b>
Guidance [2]	7
Technical activities	958
Requests for rulings	400
Technical assistance [3]	25
Technical advice [4]	8
Correspondence [5]	525
<b>Tax-exempt bond voluntary compliance agreements</b>	<b>83</b>

[1] Employee Plan data for Fiscal Year 2010 are not presented because they were not available at the time of publication. Therefore, the number of tax-exempt guidance and other regulatory activities presented in this table is lower than the number presented in the 2009 *Data Book*.

[2] Includes published revenue rulings, revenue procedures, regulations, notices, announcements, and information/news releases.

[3] Technical assistance is provided in response to requests for assistance with a private letter ruling from Chief Counsel and requests for assistance with clarification and guidance on technical or procedural issues that are not related to a specific organization.

[4] Technical advice involves a formal request for guidance regarding the application or interpretation of the Internal Revenue Service laws, related statutes, and regulations that are related to a specific set of facts for a particular organization.

[5] Includes both Congressional and general correspondence.

SOURCES: Tax Exempt and Government Entities, Exempt Organizations, Government Entities.

**Table 23. Determination Letters Issued on Employee Pension Plans, by Type and Disposition of Plan, Fiscal Year 2010**

Letters issued, disposition of plan	Total determination letters	Defined benefit plans [2]	Defined contribution plans [1]								Section 401(k) [10]
			Total [3]	Profit sharing [4]	Stock bonus [5]	Money purchases [6]	Target benefit [7]	Leveraged employee stock ownership plan [8]	Non-leveraged employee stock ownership plan [9]	Other	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total</b>											
Number of qualified plans [11]	37,414	4,262	33,152	30,860	36	1,494	d	d	294	399	21,707
Number of nonqualified plans	4	0	4	d	0	d	0	0	0	0	0
<b>Initial qualifications:</b>											
Number of qualified plans	7,923	1,176	6,747	6,442	4	181	d	d	37	80	5,098
Participating employees [12]	1,552,550	483,455	1,069,095	587,455	282	186,752	39	21	270,680	23,866	349,492
<b>Amendments:</b>											
Number of qualified plans	26,828	1,963	24,865	23,156	28	1,151	58	0	179	293	15,873
Participating employees [12]	13,844,239	5,998,101	7,846,138	6,264,962	11,464	311,336	43,483	0	1,147,407	67,486	4,185,830
<b>Terminations:</b>											
Number of qualified plans	2,663	1,123	1,540	1,262	4	162	d	d	78	26	736
Participating employees [12]	190,965	74,346	116,619	85,139	657	9,959	197	69	14,275	6,323	62,828

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

- [1] A defined contribution plan is a pension or retirement plan that provides an individual account for each participant. Benefits are based solely on amounts contributed to the participant's account and any earnings on these contributions. When the employee takes a distribution of his/her account balance, the amount paid will be limited by the value of the participant's account.
- [2] A defined benefit plan is a pension plan that does not maintain individual account balances that reflect the accrued benefits of each plan participant. Instead, the accrued benefit is determined by a determinable formula stated in the plan.
- [3] The total of defined contribution plans is the sum of columns 4–10, which include associated section 401(k) arrangements and participants. See footnote 10.
- [4] A profit sharing plan is a retirement plan that gives employees a share in the profits of the company. Contributions to employee retirement accounts are determined as a percentage of annual company profits.
- [5] A stock bonus retirement plan is funded by an employer's contributions of corporate stock to the retirement plan.
- [6] A money purchase pension plan is a retirement plan under which employer contributions are based on a fixed percentage of compensation. Contributions are required every year, regardless of earnings and profits.
- [7] A targeted benefit retirement plan is similar to a defined benefit plan since employer contributions, which are mandatory, are based on projected retirement benefits. However, unlike a defined benefit plan, the benefits provided to participants at retirement are based on the performance of the investments, and are therefore not guaranteed.
- [8] A leveraged employee stock ownership plan (ESOP) is a retirement plan in which the company leverages its credit to borrow money to fund the retirement plan. The company uses the borrowed funds to purchase shares from the company's treasury for the retirement plan and makes annual contributions to repay the original loan.
- [9] A non-leveraged employee stock ownership plan (ESOP) is a retirement plan in which a company contributes either cash to purchase outstanding shares of company stock or contributes a certain amount of shares from the company's treasury to employee accounts.
- [10] Section 401(k) arrangements and participants are reported and counted under the types of plans to which they are attached (e.g., profit-sharing or stock bonus plans) and, thus, are also included in columns 4–10.
- [11] Reflects pension plans that satisfy the qualification requirements of Federal pension law.
- [12] Totals may be overstated to the extent that employees participate in more than one plan.

SOURCE: Tax Exempt and Government Entities, Employee Plans.

**Table 24. Closures of Applications for Tax-Exempt Status, by Organization Type and Internal Revenue Code Section, Fiscal Year 2010**

Type of organization, Internal Revenue Code section	Applications for tax-exempt status [1]			
	Total	Approved	Disapproved	Other [2]
	(1)	(2)	(3)	(4)
<b>Tax-exempt organizations and other entities, total [3]</b>	<b>65,590</b>	<b>53,693</b>	<b>517</b>	<b>11,380</b>
<b>Section 501 (c) by subsection, total</b>	<b>65,548</b>	<b>53,668</b>	<b>517</b>	<b>11,363</b>
(1) Corporations organized under an act of Congress	6	d	0	d
(2) Title-holding corporations	155	117	0	38
(3) Religious, charitable, and similar organizations [4]	59,945	48,934	500	10,511
(4) Social welfare organizations	1,741	1,447	3	291
(5) Labor and agriculture organizations	310	273	0	37
(6) Business leagues	1,695	1,509	6	180
(7) Social and recreation clubs	884	710	d	d
(8) Fraternal beneficiary societies	16	11	0	5
(9) Voluntary employees' beneficiary associations	162	133	d	d
(10) Domestic fraternal beneficiary societies	37	18	d	d
(12) Benevolent life insurance associations	77	66	0	11
(13) Cemetery companies	155	148	0	7
(14) State-chartered credit unions	d	d	0	0
(15) Mutual insurance companies	16	8	4	4
(17) Supplemental unemployment benefit trusts	5	d	0	d
(19) War veterans' organizations	164	135	0	29
(25) Holding companies for pensions and other entities	177	151	0	26
(26) State-sponsored high risk health insurance organizations	d	0	0	d
<b>Section 501 (d) Religious and apostolic associations</b>	<b>14</b>	<b>d</b>	<b>0</b>	<b>d</b>
<b>Section 521 Farmers' cooperatives</b>	<b>23</b>	<b>d</b>	<b>0</b>	<b>d</b>
<b>Nonexempt charitable trusts</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>

d—Not shown to avoid disclosure of specific taxpayer data. However, data are included in the appropriate totals, when possible.

- [1] Reflects all case closures for the Exempt Organizations Determinations function. These include not only initial applications for tax-exempt status, but also other determinations, such as public charity and private foundation status determinations, advance approval of scholarship grant procedures, and group determinations of tax-exempt status.
- [2] Includes applications withdrawn by the organization; applications that did not provide the required information; incomplete applications; IRS refusals to rule on applications; applications forwarded to other than the Washington, DC office; IRS correction disposals; and others.
- [3] No applications were filed for teachers' retirement funds (section 501(c)(11)); corporations to finance crop operations (section 501(c)(16)); employee-funded pension trusts (section 501(c)(18)); black lung trusts (section 501(c)(21)); multiemployer pension plans (section 501(c)(22)); veterans' associations founded prior to 1880 (section 501(c)(23)); trusts described in section 4049 of the Employee Retirement Income Security Act of 1974 (ERISA) (section 501(c)(24)); State-sponsored workers' compensation reinsurance organizations (section 501(c)(27)); and the National Railroad Retirement Investment Trust (section 501(c)(28)). Tax-exempt status for legal services organizations (section 501(c)(20)) was revoked effective June 20, 1992.
- [4] Includes private foundations. Not all Internal Revenue Code section 501(c)(3) organizations are required to apply for recognition of tax exemption, including churches, integrated auxiliaries, subordinate units, and conventions or associations of churches.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

**Table 25. Tax-Exempt Organizations and Nonexempt Charitable Trusts, Fiscal Years 2007–2010**

Type of organization, Internal Revenue Code section	2007 (1)	2008 (2)	2009 (3)	2010 (4)
<b>Tax-exempt organizations and nonexempt charitable trusts, total</b>	<b>1,789,554</b>	<b>1,855,067</b>	<b>1,912,695</b>	<b>1,960,203</b>
<b>Section 501 (c) by subsection, total</b>	<b>1,648,306</b>	<b>1,710,567</b>	<b>1,772,229</b>	<b>1,821,824</b>
(1) Corporations organized under act of Congress	134	142	162	168
(2) Title-holding corporations	7,136	7,131	7,170	7,239
(3) Religious, charitable, and similar organizations [1]	1,128,367	1,186,915	1,238,201	1,280,739
(4) Social welfare organizations	134,843	135,494	137,276	139,129
(5) Labor and agriculture organizations	60,634	60,291	62,462	63,012
(6) Business leagues	88,071	89,409	90,908	92,331
(7) Social and recreation clubs	71,092	73,173	76,243	79,718
(8) Fraternal beneficiary societies	64,216	63,194	63,097	63,391
(9) Voluntary employees' beneficiary associations	12,128	11,996	11,867	11,749
(10) Domestic fraternal beneficiary societies	20,390	20,964	21,279	18,310
(12) Benevolent life insurance associations	6,793	6,836	6,878	6,996
(13) Cemetery companies	11,098	11,401	11,720	12,266
(14) State-chartered credit unions	3,860	3,532	3,443	3,570
(15) Mutual insurance companies	2,073	2,005	1,915	1,812
(17) Supplemental unemployment benefit trusts	434	434	424	423
(19) War veterans' organizations	35,702	36,306	37,878	39,709
(25) Holding companies for pensions and other entities	1,234	1,239	1,171	1,125
Other 501 (c) subsections [2]	101	105	135	137
<b>Section 501 (d) Religious and apostolic associations</b>	<b>162</b>	<b>164</b>	<b>205</b>	<b>218</b>
<b>Section 501 (e) Cooperative hospital service organizations</b>	<b>37</b>	<b>36</b>	<b>35</b>	<b>34</b>
<b>Section 501 (f) Cooperative service organizations of operating educational organizations</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Section 501 (k) Child care organizations</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Section 501 (n) Charitable risk pools</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Nonexempt charitable trusts</b>	<b>141,032</b>	<b>144,284</b>	<b>140,210</b>	<b>138,111</b>

[1] Includes private foundations. Not all Internal Revenue Code section 501 (c) (3) organizations are required to apply for recognition of tax exemption, including churches, integrated auxiliaries, subordinate units, and conventions or associations of churches.

[2] Includes teachers' retirement funds (section 501 (c) (11)); corporations to finance crop operations (section 501 (c) (16)); employee-funded pension trusts (section 501 (c) (18)); black lung trusts (section 501 (c) (21)); multiemployer pension plans (section 501 (c) (22)); veterans' associations founded prior to 1880 (section 501 (c) (23)); trusts described in section 4049 of the Employee Retirement Income Security Act of 1974 (ERISA) (section 501 (c) (24)); State-sponsored high-risk health insurance organizations (section 501 (c) (26)); State-sponsored workers' compensation reinsurance organizations (section 501 (c) (27)); and the National Railroad Retirement Investment Trust (section 501 (c) (28)). Tax-exempt status for legal services organizations (section 501 (c) (20)) was revoked effective June 20, 1992.

SOURCE: Tax Exempt and Government Entities.

# Chief Counsel



The IRS Chief Counsel is appointed by the President of the United States, with the advice and consent of the U.S. Senate, and serves as the chief legal advisor to the IRS Commissioner on all matters pertaining to the interpretation, administration, and enforcement of the Internal Revenue Code, as well as all other legal matters. Under the IRS Restructuring and Reform Act of 1998, the Chief Counsel reports to both the IRS Commissioner and the Treasury General Counsel.

Attorneys in the Chief Counsel's Office serve as lawyers for the IRS. They provide guidance to the IRS and to taxpayers on the correct legal interpretation of Federal tax laws, represent the IRS in litigation, and provide all other legal support the IRS needs to carry out its mission.

Tables 26 and 27 provide information about Chief Counsel's workload and case activity in several major categories including criminal tax, international issues, and general legal services in Fiscal Year 2010. Chief Counsel received 90,359 cases and closed 93,360 cases during the fiscal year. Of cases received, as well as cases closed, the majority were related to tax law enforcement and litigation, including Tax Court litigation; collection, bankruptcy, and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assistance.

Almost 30,000 Tax Court cases involved a taxpayer contesting an IRS determination that he or she owed additional tax. During the fiscal year, the total amount of tax and penalty in dispute was \$7 billion.



**Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2010**

Office and type of case or activity	Cases received	Cases closed	Cases pending September 30, 2010
	(1)	(2)	(3)
<b>Chief Counsel (All Offices):</b>			
<b>Total</b>	<b>90,359</b>	<b>93,360</b>	<b>61,867</b>
Guidance and assistance [1]	13,282	14,396	8,313
Tax law enforcement and litigation [2]	71,696	73,643	50,773
Other legal services to the IRS [3]	5,381	5,321	2,781
<b>Corporate:</b>			
<b>Total</b>	<b>821</b>	<b>855</b>	<b>416</b>
Guidance and assistance	443	491	259
Tax law enforcement and litigation	312	294	145
Other legal services to the IRS	66	70	12
<b>Criminal Tax:</b>			
<b>Total</b>	<b>7,566</b>	<b>7,510</b>	<b>1,203</b>
Guidance and assistance	70	74	15
Tax law enforcement and litigation	7,431	7,370	1,184
Other legal services to the IRS	65	66	4
<b>Financial Institutions and Products:</b>			
<b>Total</b>	<b>1,008</b>	<b>1,114</b>	<b>563</b>
Guidance and assistance	718	841	457
Tax law enforcement and litigation	175	165	96
Other legal services to the IRS	115	108	10
<b>General Legal Services:</b>			
<b>Total</b>	<b>3,368</b>	<b>3,257</b>	<b>2,259</b>
Guidance and assistance	38	45	11
Tax law enforcement and litigation	16	0	17
Other legal services to the IRS	3,314	3,212	2,231
<b>Income Tax and Accounting:</b>			
<b>Total</b>	<b>6,311</b>	<b>7,533</b>	<b>2,749</b>
Guidance and assistance	5,356	6,572	2,471
Tax law enforcement and litigation	811	819	261
Other legal services to the IRS	144	142	17
<b>International:</b>			
<b>Total</b>	<b>2,009</b>	<b>2,130</b>	<b>2,169</b>
Guidance and assistance	1,388	1,471	1,699
Tax law enforcement and litigation	492	544	434
Other legal services to the IRS	129	115	36
<b>Large and Mid-Size Business</b>			
<b>Total</b>	<b>4,323</b>	<b>4,844</b>	<b>5,872</b>
Guidance and assistance	582	615	1,032
Tax law enforcement and litigation	3,560	4,047	4,796
Other legal services to the IRS	181	182	44
<b>Passthroughs and Special Industries: [4]</b>			
<b>Total</b>	<b>1,975</b>	<b>2,265</b>	<b>723</b>
Guidance and assistance	1,326	1,587	591
Tax law enforcement and litigation	503	531	121
Other legal services to the IRS	146	147	11
<b>Procedure and Administration:</b>			
<b>Total</b>	<b>4,651</b>	<b>4,160</b>	<b>1,998</b>
Guidance and assistance	1,152	762	600
Tax law enforcement and litigation	2,884	2,698	1,108
Other legal services to the IRS	615	700	290
<b>Small Business/Self-Employed:</b>			
<b>Total</b>	<b>53,874</b>	<b>55,485</b>	<b>41,406</b>
Guidance and assistance	471	456	250
Tax law enforcement and litigation	53,252	54,874	41,109
Other legal services to the IRS	151	155	47
<b>Tax Exempt and Government Entities:</b>			
<b>Total</b>	<b>3,619</b>	<b>3,396</b>	<b>2,348</b>
Guidance and assistance	1,251	1,012	840
Tax law enforcement and litigation	2,079	2,119	1,459
Other legal services to the IRS	289	265	49
<b>Wage and Investment:</b>			
<b>Total</b>	<b>268</b>	<b>252</b>	<b>84</b>
Guidance and assistance	103	93	32
Tax law enforcement and litigation	28	28	d
Other legal services to the IRS	137	131	d
<b>Other: [5]</b>			
<b>Total</b>	<b>566</b>	<b>559</b>	<b>77</b>
Guidance and assistance	384	377	56
Tax law enforcement and litigation	153	154	d
Other legal services to the IRS	29	28	d

Footnotes at end of table.

**Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2010—Continued****Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

- [1] Includes published guidance; advanced case resolution; treaties; legislation; Congressional and executive correspondence; training and public outreach; and pre-filing legal advice to the IRS.
- [2] Includes Tax Court litigation; collection, bankruptcy and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assistance.
- [3] Includes electronic and other tax filing legal advice; disclosure advice and litigation; and general legal services advice and litigation.
- [4] The Passthroughs and Special Industries Division (PSI) handles cases that involve passthrough organizations, such as S corporations and partnerships. These passthrough organizations do not pay tax on their incomes, but pass income or losses to shareholders or partners, who include the income or losses on their income tax returns. The PSI Division also handles cases on natural resources taxation (oil, mining, gas, coal, etc.); business credits (low-income housing, energy credits, wind energy, alternative fuels, etc.); excise taxes (transportation, telephones, tires, fuels, etc.); and estate and gift taxes.
- [5] Includes the immediate offices of the Chief Counsel and the Associate Chief Counsel (Finance and Management).

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Finance Division.

**Table 27. Chief Counsel Workload: Tax Litigation Cases, by Type of Case, Fiscal Year 2010**

[Money amounts are in millions of dollars]

Type of case	Number or amount
<b>Total cases:</b>	
Received	32,596
Closed	34,143
Pending September 30, 2010	31,016
<b>Tax Court cases [1]:</b>	
Cases received:	
Number	29,500
Amount of tax and penalty in dispute [2]	7,000
Cases closed:	
Number	30,909
Amount of tax and penalty in dispute [2]	4,145
Amount of tax and penalty on decision [3]:	
Total	1,098
Default or dismissed	188
Settled	749
Tried and decided	161
Cases pending September 30, 2010:	
Number	29,623
Amount of tax and penalty in dispute [2]	26,646
<b>Tax Court cases on appeal:</b>	
Number of cases pending September 30, 2010	381
Amount of tax and penalty pending September 30, 2010	1,109
<b>Refund cases [4]:</b>	
Cases received:	
Number	242
Amount of tax and penalty in dispute	30,034
Cases closed:	
Number	320
Amount of tax and penalty in dispute	28,773
Amount of tax protected [5]:	
Total	28,558
District Court	241
Court of Federal Claims	28,317
Cases pending September 30, 2010:	
Number	1,146
Amount of tax and penalty in dispute	11,191
<b>Refund cases on appeal [4]:</b>	
Number of cases pending September 30, 2010	85
Amount of tax and penalty pending September 30, 2010	897
<b>Number of nondocketed cases [6]:</b>	
Received	2,854
Closed	2,914
Pending September 30, 2010	247

[1] Tax Court cases involve a taxpayer contesting the Internal Revenue Service's determination that the taxpayer owes additional tax. The Tax Court provides a forum for a taxpayer to request a determination of the deficiency prior to paying the tax allegedly owed.

Other cases that may be considered by the Tax Court include:

*Collection Due Process (CDP)*—cases where a taxpayer requested a hearing with an independent CDP officer in response to a notice of Federal tax lien or notice of intent to levy.

*Innocent Spouse Program*—cases in which a taxpayer who filed a joint return with a spouse or ex-spouse may apply for relief of tax, interest, and penalties if he/she meets specific requirements.

*Abatement of interest*—cases of disputed interest on tax deficiencies or payments in which IRS error or delays may have contributed to the assessed interest.

*Tax-exempt status*—cases where an organization disputes IRS's revocation or denial of tax-exempt status.

[2] The amount of tax and penalties in dispute excludes interest.

[3] Reflects the amount a taxpayer owes as determined by the Tax Court, excluding offsetting overpayments and interest.

[4] Refund cases involve taxpayers seeking refunds of claimed overpayments after taxes have been fully paid. Refund amounts in dispute can vary widely from year to year and increase when frivolous, high dollar lawsuits are filed.

[5] Tax protected is the amount claimed by the taxpayer in a suit for a refund of previously paid taxes that is not awarded to the taxpayer in the court's judgment.

[6] Nondocketed cases are cases in which a court petition was not filed and Chief Counsel reviewed and advised on a statutory notice of deficiency.

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Finance Division.





# IRS Budget and Workforce

Tables 28 through 31 provide information about the size and composition of the IRS workforce and the resources that the IRS spends to collect taxes and assist taxpayers.

In Fiscal Year (FY) 2010, the IRS collected more than \$2.3 trillion, incurring 53 cents, on average, to collect \$100.

IRS's actual expenditures for FY 2010 totaled nearly \$12.4 billion. IRS's three core operating appropriations are taxpayer services, enforcement, and operations support. Taxpayer services funds processing tax returns and related documents, and assistance for taxpayers in filing returns and paying taxes due. In FY 2010, the IRS spent \$2.4 billion on taxpayer services. Enforcement funds examination of tax returns, collection of balances, the administrative and judicial settlement of taxpayer appeals of examination findings, and provides resources for strengthened enforcement to reduce invalid claims and erroneous filings associated with the Earned Income Tax Credit (EITC) program. The IRS spent almost \$5.5 billion on enforcement in FY 2010. Operations support funds administrative services, policy management, and IRS-wide support. The appropriation also funds staffing, equipment, and related costs to manage, maintain, and operate critical information systems that support tax administration. In FY 2010, the IRS spent more than \$4.1 billion on operations support.

During the fiscal year, the IRS continued to focus on attracting, retaining, and developing a quality workforce to support workforce management activities that contribute to making the IRS one of the best places to work in the Federal government. In FY 2010, the IRS employed a total workforce of 107,621, including seasonal and part-time employees.



**Table 28. Costs Incurred by Budget Activity, Fiscal Years 2009 and 2010**

[Money amounts are in thousands of dollars]

Budget activity	Total		Personnel compensation and benefits [1]		Other [2]	
	2009	2010	2009	2010	2009	2010
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total obligations against appropriated funds</b>	<b>11,708,604</b>	<b>12,353,344</b>	<b>8,371,476</b>	<b>8,846,297</b>	<b>3,337,128</b>	<b>3,507,047</b>
<b>Taxpayer Services [3]:</b>						
<b>Total</b>	<b>2,417,165</b>	<b>2,408,387</b>	<b>2,179,598</b>	<b>2,195,956</b>	<b>237,567</b>	<b>212,431</b>
Prefiling Taxpayer Assistance and Education	675,702	681,355	570,330	584,735	105,372	96,620
Filing and Account Services	1,741,463	1,727,032	1,609,268	1,611,221	132,195	115,811
<b>Enforcement [4]:</b>						
<b>Total</b>	<b>5,113,926</b>	<b>5,497,476</b>	<b>4,688,192</b>	<b>5,056,154</b>	<b>425,734</b>	<b>441,322</b>
Investigations	616,685	645,004	564,450	598,851	52,235	46,153
Examinations and Collections	4,345,126	4,686,748	3,975,058	4,300,502	370,068	386,246
Regulatory	152,115	165,724	148,684	156,801	3,431	8,923
<b>Operations Support [5]:</b>						
<b>Total</b>	<b>3,885,670</b>	<b>4,121,056</b>	<b>1,457,400</b>	<b>1,544,731</b>	<b>2,428,270</b>	<b>2,576,325</b>
Infrastructure	884,030	894,289	971	1,243	883,059	893,046
Shared Services and Support	1,258,439	1,324,801	698,280	747,377	560,159	577,424
Information Services	1,743,201	1,901,966	758,149	796,111	985,052	1,105,855
<b>Business Systems Modernization [6]</b>	<b>221,841</b>	<b>284,403</b>	<b>44,890</b>	<b>47,811</b>	<b>176,951</b>	<b>236,592</b>
<b>Health Insurance Tax Credit Administration [7]</b>	<b>70,002</b>	<b>42,022</b>	<b>1,396</b>	<b>1,645</b>	<b>68,606</b>	<b>40,377</b>

[1] Includes salaries, terminal leave payments, availability pay, pay differential, overtime and holiday pay, cash awards, incentive awards, obligation for uncashed payroll checks, expert and witness fees, rewards to informants, employer's share of personnel benefits costs, reimbursements for professional liability insurance, recruitment bonuses, commuting subsidies, retention bonuses, student loan repayments, relocation bonuses, gainsharing awards, cost of living allowances, overseas allowance grants, domestic and foreign income tax reimbursement allowances, worker's compensation benefits, moving expenses/relocation allowances, severance pay, and unemployment compensation payments.

[2] Fiscal Year 2010 includes \$289,602 thousand for travel expenses and \$3,217,445 thousand for other expenses (including data processing, rental payments, communication costs, contractual services, and other miscellaneous expenses).

[3] The Taxpayer Services appropriation funds pre-filing assistance and education, filing and account services, and taxpayer advocacy services.

[4] The Enforcement appropriation funds activities to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations, to enforce criminal statutes related to violations of internal revenue laws, and to purchase and hire passenger motor vehicles.

[5] The Operations Support appropriation funds activities to support taxpayer services and enforcement programs, including rent, facilities services, maintenance, printing, postage, security, and other IRS-wide administration activities; research and statistics of income; telecommunications; and information technology development.

[6] The Business Systems Modernization appropriation funds the capital asset acquisition of information technology systems.

[7] The Health Insurance Tax Credit Administration appropriation funds the administration of the health insurance tax credit.

## NOTES:

Detail may not add to totals because of rounding. All amounts are in current dollars. Data represent dollars obligated, expended, and disbursed against direct appropriated funds.

SOURCE: Chief Financial Officer, Corporate Performance Budgeting, Corporate Policy and Labor Analysis.

**Table 29. Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1980–2010**

Fiscal year	Gross collections (thousands of dollars) [1]	Operating costs (thousands of dollars) [2]	Cost of collecting \$100	U.S. population (thousands) [3]	Average tax per capita (dollars) [3]	Average positions realized [4]
	(1)	(2)	(3)	(4)	(5)	(6)
1980	519,375,273	2,280,839	0.44	228,231	2,276	87,464
1981	606,799,103	2,465,469	0.41	230,613	2,631	86,156
1982	632,240,506	2,626,338	0.42	232,962	2,714	82,857
1983	627,246,793	2,968,526	0.47	235,225	2,667	83,603
1984	680,475,229	3,279,067	0.48	237,454	2,866	87,635
1985	742,871,541	3,600,953	0.48	239,714	3,099	92,259
1986	782,251,812	3,841,983	0.49	241,995	3,233	95,880
1987	886,290,590	4,365,816	0.49	244,344	3,627	102,189
1988	935,106,594	5,035,543	0.54	246,329	3,796	114,875
1989	1,013,322,133	5,198,546	0.51	249,412	4,063	114,758
1990	1,056,365,652	5,440,418	0.52	251,057	4,208	111,962
1991	1,086,851,401	6,097,627	0.56	254,435	4,272	114,628
1992	1,120,799,558	6,536,336	0.58	257,861	4,347	116,673
1993	1,176,685,625	7,077,985	0.60	261,163	4,506	113,460
1994	1,276,466,776	7,245,344	0.57	264,301	4,830	110,748
1995	1,375,731,836	7,389,692	0.54	267,456	5,144	112,024
1996	1,486,546,674	7,240,221	0.49	270,581	5,494	106,642
1997	1,623,272,071	7,163,541	0.44	273,852	5,928	101,703
1998	1,769,408,739	7,564,661	0.43	277,003	6,388	98,037
1999	1,904,151,888	8,269,387	0.43	280,203	6,796	98,730
2000	2,096,916,925	8,258,423	0.39	[r] 283,201	[r] 7,404	97,074
2001	2,128,831,182	8,771,510	0.41	[r] 286,098	[r] 7,441	97,707
2002	2,016,627,269	9,063,471	0.45	[r] 288,870	[r] 6,981	99,181
2003	1,952,929,045	9,401,407	0.48	[r] 291,574	[r] 6,698	98,819
2004	2,018,502,103	9,756,344	0.48	[r] 294,230	[r] 6,860	97,597
2005	2,268,895,122	10,397,837	0.46	[r] 296,972	[r] 7,640	94,282
2006	2,518,680,230	10,605,845	0.42	[r] 299,835	[r] 8,400	91,717
2007	2,691,537,557	10,764,736	0.40	[r] 302,807	[r] 8,889	92,017
2008	2,745,035,410	11,307,223	0.41	[r] 305,554	[r] 8,984	90,647
2009	2,345,337,177	11,708,604	0.50	[p] 308,189	[p] 7,610	92,577
2010	2,345,055,978	12,353,344	0.53	[p] 310,813	[p] 7,545	94,711

[r]—Revised based on revised estimates from the U.S. Department of Commerce, Bureau of the Census.

[p]—Preliminary.

- [1] Gross collections exclude alcohol and tobacco excise taxes starting with 1988. Also excluded are taxes on firearms starting with the second quarter of Fiscal Year 1991. Responsibility for these excise taxes was transferred from the IRS to the Alcohol and Tobacco Tax and Trade Bureau and to the U.S. Customs and Border Protection, respectively. See Table 6 for gross collections data by type of tax.
- [2] Operating costs exclude costs reimbursed by other Federal agencies and private entities for services performed for these external parties. Beginning with Fiscal Year 2005, includes costs for Business Systems Modernization and the Health Insurance Tax Credit Administration. See Table 28 for these costs.
- [3] U.S. population and tax per capita are based on resident population plus armed forces overseas as of October 1 of each year. This information is provided by the U.S. Department of Commerce, Bureau of the Census.
- [4] Represents the average number of full-time equivalent (FTE) positions actually used to conduct IRS operations. Excludes positions funded by reimbursements from other Federal agencies and private entities. In contrast, IRS labor force counts in Table 31 (Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability) represent the number of persons, including part-time and seasonal workers, employed at any time during the fiscal year.

NOTE: All amounts are in current dollars.

SOURCE: Chief Financial Officer, Corporate Performance Budgeting, Corporate Policy and Labor Analysis.

**Table 30. Personnel Summary, by Employment Status, Budget Activity, and Selected Type of Personnel, Fiscal Years 2009 and 2010**

Employment status, budget activity, and selected personnel type	Average positions realized [1]		Number of employees at close of fiscal year	
	2009	2010	2009	2010
	(1)	(2)	(3)	(4)
<b>Internal Revenue Service, total</b>	<b>92,577</b>	<b>94,711</b>	<b>93,337</b>	<b>94,346</b>
<b>Employment status:</b>				
Full-time permanent	90,446	93,027	91,082	92,148
Other	2,131	1,684	2,255	2,198
<b>Budget activity:</b>				
Examinations and Collections	41,950	44,802	45,248	46,667
Filing and Account Services	26,530	25,592	23,544	22,877
Information Services	6,392	6,432	6,706	6,774
Prefiling Taxpayer Assistance and Education	6,233	6,076	6,324	6,361
Shared Services and Support	5,710	5,862	5,792	6,018
Investigations	4,228	4,364	4,345	4,270
Regulatory	1,202	1,234	1,295	1,295
Business Systems Modernization	322	337	73	70
Health Insurance Tax Credit Administration	10	12	10	14
<b>Selected personnel type:</b>				
Customer Service Representatives	18,200	18,582	19,544	21,057
Revenue Agents	12,948	13,879	14,264	14,588
Seasonal employees	10,875	11,158	7,517	6,943
Revenue Officers	5,451	6,042	6,142	5,922
Special Agents	2,610	2,739	2,725	2,751
Tax Technicians	1,539	1,720	1,725	1,909
Attorneys	1,459	1,571	1,602	1,610
Appeals Officers	785	847	858	902

[1] Represents the average number of full-time equivalent (FTE) positions actually used (all direct appropriations) to conduct IRS operations. Excludes positions funded by reimbursements received from other Federal agencies and private entities for services performed for these external parties.

SOURCE: Chief Financial Officer, Corporate Performance Budgeting, Corporate Policy and Labor Analysis.

**Table 31. Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability, Fiscal Year 2010**

Gender, race/ethnicity, and disability	Internal Revenue Service, total [1]	Internal Revenue Service labor force [1]	Federal civilian labor force [2]	Civilian labor force [3]
		Percentage of total		
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>107,621</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Gender:</b>				
Male	36,574	34.0	56.0	53.2
Female	71,047	66.0	44.1	46.8
<b>Race/ethnicity and gender:</b>				
White, not of Hispanic origin	62,750	58.3	66.6	72.7
Male	25,349	23.6	40.2	39.0
Female	37,401	34.8	26.4	33.7
Black, not of Hispanic origin	26,634	24.8	17.3	10.5
Male	5,385	5.0	6.9	4.8
Female	21,249	19.7	10.3	5.7
Hispanic [4]	11,656	10.8	7.8	10.7
Male	3,382	3.1	4.5	6.2
Female	8,274	7.7	3.2	4.5
Asian, Native Hawaiian, or other Pacific Islander	5,290	4.9	5.6	3.8
Male	2,058	1.9	3.0	2.0
Female	3,232	3.0	2.6	1.8
American Indian or Alaska Native	814	0.8	1.9	0.6
Male	233	0.2	0.9	0.3
Female	581	0.5	1.1	0.3
Two or more races [5]	477	0.4	0.7	1.6
Male	167	0.2	0.4	0.8
Female	310	0.3	0.3	0.8
<b>Disabilities:</b>				
Persons with disabilities	9,827	9.1	9.2	n.a.
Persons with targeted disabilities [6]	1,968	1.8	0.9	n.a.

n.a.—Not available.

- [1] Includes permanent full-time, part-time, and seasonal personnel employed by the Internal Revenue Service, including Chief Counsel, at any time during Fiscal Year 2010, i.e., October 1, 2009, through September 25, 2010.
- [2] Reflects Executive Branch employees as of September 2010, as reported by U.S. Office of Personnel Management. These data include the Internal Revenue Service labor force.
- [3] Data from U.S. Department of Commerce, Bureau of the Census (2000 Census Statistics).
- [4] Hispanic or Latino persons of any race are included in the Hispanic category.
- [5] Data for IRS and other Federal workers of two or more races may be incomplete, as data for this category have been routinely collected only for employees hired after January 1, 2006. The data also reflect information for employees in this category who were hired prior to January 1, 2006, who subsequently updated their official information.
- [6] The term "targeted disability" was originally enacted by the Equal Employment Opportunity Commission (EEOC) in 1979 and refers to certain disabilities that have been identified for emphasis in Federal affirmative employment planning. For targeted disabilities, the EEOC established a 2.0 percent Federal goal for all agencies by 2010.

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

SOURCE: Office of Equity, Diversity and Inclusion.



## First-Time Homebuyer Credit

The American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law on February 17, 2009. This legislation was intended to provide a stimulus to the U.S. economy in the wake of the economic downturn. The Internal Revenue Service administered the tax-related provisions of ARRA.

ARRA expanded the tax credit for first-time homebuyers who purchased a home between January 1, 2009, and December 31, 2009. Under the law, qualified homebuyers were allowed to claim the tax credit either on their 2008 returns (due on April 15, 2009) or on their 2009 returns (due on April 15, 2010). Qualified first-time homebuyers—those who did not own, separately or with a spouse, a home within 3 years of the purchase date—could claim 10 percent of the home purchase price up to \$8,000, or \$4,000 for married individuals filing separately. The amount of the tax credit began to phase out for a taxpayer whose adjusted gross income was more than \$75,000, or \$150,000 for joint filers. The Worker, Homeownership, and Business Assistance Act of 2009, enacted on November 6, 2009, extended and expanded the First-Time Homebuyer Credit (FTHBC) into 2010.

Under these two pieces of legislation, taxpayers could claim the FTHBC on their 2008, 2009, or 2010 tax returns. Table A reports the FTHBC by State and includes original and amended returns with a FTHBC processed between September 27, 2009, and October 2, 2010. In Fiscal Year 2010, more than 2.1 million returns included a FTHBC claim that was granted by the IRS. Combined, these returns included \$15.6 billion in First-Time Homebuyer Credits.

**Table A. First-Time Homebuyer Credit by State, Fiscal Year 2010 [1]**

[Money amounts are in thousands of dollars]

State	First-Time Homebuyer Credit	
	Number	Amount
<b>United States, total</b>	<b>2,197,110</b>	<b>15,642,149</b>
Alabama	33,854	236,365
Alaska	5,613	41,212
Arizona	59,267	432,945
Arkansas	23,452	159,598
California	245,298	1,821,511
Colorado	46,214	340,175
Connecticut	22,007	160,785
Delaware	6,252	45,347
District of Columbia	4,128	30,165
Florida	128,246	911,108
Georgia	68,238	489,877
Hawaii	6,103	45,220
Idaho	14,861	109,432
Illinois	83,281	585,878
Indiana	52,599	357,595
Iowa	28,189	192,014
Kansas	23,731	161,635
Kentucky	31,557	220,043
Louisiana	29,714	208,696
Maine	9,534	67,022
Maryland	40,093	295,573
Massachusetts	41,351	301,919
Michigan	75,394	459,758
Minnesota	47,663	341,497
Mississippi	17,154	114,429
Missouri	48,797	340,483
Montana	8,071	56,146
Nebraska	17,720	124,215
Nevada	29,780	220,708
New Hampshire	9,506	67,822
New Jersey	50,107	360,947
New Mexico	14,991	107,600
New York	89,101	625,737
North Carolina	66,971	488,867
North Dakota	6,817	46,455
Ohio	81,137	549,974
Oklahoma	33,239	228,277
Oregon	27,495	200,840
Pennsylvania	85,742	599,464
Rhode Island	7,195	52,952
South Carolina	32,622	231,818
South Dakota	7,505	51,971
Tennessee	47,814	343,027
Texas	186,382	1,337,904
Utah	24,744	187,268
Vermont	3,944	27,884
Virginia	62,325	460,748
Washington	51,424	381,716
West Virginia	11,089	73,741
Wisconsin	42,277	298,736
Wyoming	5,385	38,665
U.S. Armed Service members overseas	956	7,191
Other	181	1,194

[1] Reflects the First-Time Homebuyer Credit (FTHBC) claimed and granted by IRS after adjustments. Under the American Recovery and Reinvestment Act of 2009 and the Worker, Homeowner, and Business Assistance (WHBA) Act of 2009, taxpayers could claim the FTHBC either on their 2008, 2009, or 2010 tax returns. Eligible taxpayers who entered into a binding purchase contract by April 30, 2010, to close on a home purchase by June 30, 2010, could claim the FTHBC until September 30, 2010. These data include original and amended returns with a FTHBC claim processed between September 27, 2009, and October 2, 2010. Taxpayers who did not claim the FTHBC on their original returns could file an amended return to claim the credit. Counts exclude FTHBC claims withdrawn in an amended return or rejected by the IRS.

## NOTE:

Classification by State is based on the individual's address. However, some individuals may use the address of a tax attorney or accountant. Such addresses could have been located in a State other than the State in which the individual resided.

SOURCE: Research, Analysis, and Statistics, Office of Research.



## Data Sources, by Subject Area and Table Number

Subject Area	Table Number	IRS Branch, Division, or Office
<b>Returns Filed, Taxes Collected, and Refunds Issued</b>	1	Chief Financial Officer, Revenue Financial Management
	2	Research, Analysis, and Statistics, Office of Research
	3	Research, Analysis, and Statistics, Office of Research
	4	Research, Analysis, and Statistics, Office of Research
	5	Chief Financial Officer, Revenue Financial Management
	6	Chief Financial Officer, Revenue Financial Management
	7	Chief Financial Officer, Revenue Financial Management
	8	Chief Financial Officer, Revenue Financial Management
<b>Enforcement: Examinations</b>	9a	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	9b	Research, Analysis, and Statistics, Office of Research
	10	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	11	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	12	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	13	Tax Exempt and Government Entities, Exempt Organizations; Employee Plans; and Government Entities
<b>Enforcement: Information Reporting and Verification</b>	14	Wage and Investment, Campus Compliance Services, Campus Reporting Compliance, Document Matching; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching; Wage and Investment, Compliance, Reporting Compliance, Policy, Monitoring, Analysis and Quality; Wage and Investment, Compliance, Program Management; Wage and Investment, Compliance, Reporting Compliance, Automated Underreporting Program; Small Business/Self-Employed, Campus Compliance Services, Filing and Payment Compliance, Filing Compliance
	15	Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files
<b>Enforcement: Collections, Penalties, and Criminal Investigation</b>	16	Small Business/Self-Employed, Collection Planning and Analysis, Workload Planning and Performance Analysis, Performance Reports and Analysis
	17	Chief Financial Officer, Revenue Financial Management
	18	Criminal Investigation, Communications and Education Division
<b>Taxpayer Assistance</b>	19	Wage and Investment, Strategy and Finance, Operations Planning and Analysis
	20	Taxpayer Advocate Service, Business Assessment
	21	Appeals, Strategic Planning, Measures Analysis
<b>Tax-Exempt Activities</b>	22	Tax Exempt and Government Entities, Exempt Organizations, Government Entities
	23	Tax Exempt and Government Entities, Employee Plans
	24	Tax Exempt and Government Entities, Exempt Organizations
	25	Tax Exempt and Government Entities
<b>Chief Counsel</b>	26	Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Finance Division
	27	Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Finance Division
<b>IRS Budget and Workforce</b>	28	Chief Financial Officer, Corporate Performance Budgeting, Corporate Policy and Labor Analysis
	29	Chief Financial Officer, Corporate Performance Budgeting, Corporate Policy and Labor Analysis
	30	Chief Financial Officer, Corporate Performance Budgeting, Corporate Policy and Labor Analysis
	31	Office of Equity, Diversity, and Inclusion
<b>First-Time Homebuyer Credit</b>	A	Research, Analysis, and Statistics, Office of Research

# Principal Officers of the Internal Revenue Service

as of September 30, 2010

## Commissioner

**Douglas H. Shulman**

### Deputy Commissioner for Services and Enforcement

Steven T. Miller

### Deputy Commissioner for Operations Support

Mark A. Ernst

### Chief of Staff

Jonathan M. Davis

### Deputy Chief of Staff

Carol A. Campbell

## Appeals

### Chief, Appeals

Diane Ryan

*Deputy Chief, Appeals*

Ruth Perez

## Taxpayer Advocate Service

### National Taxpayer Advocate

Nina E. Olson

*Deputy National Taxpayer Advocate*

Melissa R. Snell

*Executive Director, Systemic Advocacy Systems*

Rebecca A. Chiaramida

*Executive Director, Case Advocacy*

Matthew A. Weir

## Equity, Diversity and Inclusion

### Executive Director, Equity, Diversity and Inclusion

Debra C. Chew

*Deputy Executive Director, Equity, Diversity and Inclusion*

Monica H. Davy

## Office of Research, Analysis, and Statistics

### Director, Office of Research, Analysis, and Statistics

Rosemary D. Marcuss

*Deputy Director, Office of Research, Analysis, and Statistics*

Patricia H. McGuire

*Director, National Research Program*

William W. Hannon

*Director, Office of Program Evaluation and Risk Analysis*  
(Vacant)

*Director, Office of Research*

Janice M. Hedemann

*Director, Servicewide Policy, Directives, and Electronic Research*

Kathryn A. Green

*Director, Statistics of Income*

M. Susan Boehmer

## Communications and Liaison

### Chief, Communications and Liaison

Frank Keith

*Deputy Chief, Communications and Liaison*

Jan Deneroff

## Communications and Liaison (continued)

*Director, Office of Legislative Affairs*

Floyd L. Williams

*Director, Office of Communications*

Terry L. Lemons

*Director, Office of National Public Liaison*

Candice V. Cromling

## Small Business/ Self-Employed Division

### Commissioner, Small Business/ Self-Employed

Christopher Wagner

*Deputy Commissioner, Small Business/ Self-Employed*

Faris R. Fink

*Director, Communications, Liaison, and Disclosure*

Rob C. Wilkerson

*Director, Collections*

Scott Reisher (Acting)

*Director, Examination*

Monica L. Baker

*Director, Fraud/BSA*

Kevin F. McCarthy (Acting)

*Director, Specialty Programs*

John H. Imhoff, Jr.

## Small Business/ Self-Employed Division (continued)

*Director, Campus Compliance*

Cheryl M. Sherwood

## Large and Mid-Size Business Division

NOTE: Large and Mid-Size Business was realigned to Large Business and International on October 1, 2010.

## Commissioner, Large and Mid-Size Business

Heather C. Maloy

*Deputy Commissioner, Large and Mid-Size Business Operations*

Paul D. DeNard

*Deputy Commissioner, Large and Mid-Size Business International*

Michael Danilack

*Director, Financial Services Industry*

Walter L. Harris

*Director, Retailers, Food, Pharmaceuticals, and Healthcare*

Sergio E. Arellano

*Director, Communications, Technology, and Media*

Patricia C. Chaback

# Principal Officers of the Internal Revenue Service

as of September 30, 2010

<b>Large and Mid-Size Business Division (continued)</b>	<b>Tax Exempt and Government Entities Division (continued)</b>	<b>Agency-Wide Shared Services</b>	<b>Modernization and Information Technology Services (continued)</b>
<p><i>Director, Heavy Manufacturing and Transportation</i> Charles L. Brantley</p>	<p><i>Deputy Commissioner, Tax Exempt and Government Entities</i> Joseph H. Grant</p>	<p><b>Chief, Agency-Wide Shared Services</b> David A. Grant</p>	<p><i>Associate Chief Information Officer, End User Equipment and Services</i> Carl T. Froehlich</p>
<p><i>Director, Natural Resources and Construction</i> Keith M. Jones</p>	<p><i>Director, Employee Plans</i> Michael D. Julianelle</p>	<p><i>Director, Procurement</i> Fred W. Martin</p>	<p><i>Associate Chief Information Officer, Cybersecurity</i> David W. Stender</p>
<p><i>Director, Field Specialists</i> Kathy J. Robbins</p>	<p><i>Director, Exempt Organizations</i> Lois G. Lerner</p>	<p><i>Director, Real Estate and Facilities Management</i> Stuart Burns</p>	<p><i>Associate Chief Information Officer, Strategy and Planning</i> Mike Parker</p>
<b>Wage and Investment Division</b>	<p><i>Director, Government Entities</i> Moises C. Medina</p>	<b>Modernization and Information Technology Services</b>	<p><i>Associate Chief Information Officer, Affordable Care Act Program</i> S. Gina Garza</p>
<b>Commissioner, Wage and Investment</b>	<b>Criminal Investigation</b>	<b>Chief Technology Officer</b>	<b>Human Capital Office</b>
<p>Richard E. Byrd, Jr. <i>Deputy Commissioner, Operations</i> Peggy A. Bogadi <i>Deputy Commissioner, Support</i> Beth Tucker</p>	<p><b>Chief, Criminal Investigation</b> Victor S.O. Song <i>Deputy Chief, Criminal Investigation</i> Rick A. Raven</p>	<p>Terry V. Milholland <i>Deputy Chief Information Officer for Operations</i> Julie A. Rushin <i>Deputy Chief Information Officer for Strategy/Modernization</i> James M. McGrane</p>	<p><b>Chief, Human Capital Officer</b> James P. Falcone <i>Deputy Chief Human Capital Officer</i> (Vacant)</p>
<p><i>Director, Customer Account Services</i> Peter J. Stipek <i>Director, CARE (Customer Assistance, Relationships, and Education)</i> Julia Garcia (Acting)</p>	<b>Office of Professional Responsibility</b>	<p><i>Associate Chief Information Officer, Applications Development</i> Kate M. Miller</p>	<b>Privacy, Information Protection, and Data Security</b>
<p><i>Director, Compliance</i> David Alito (Acting)</p>	<p><b>Director, Office of Professional Responsibility</b> Karen L. Hawkins</p>	<p><i>Associate Chief Information Officer, Modernization Program Management</i> Gretchen R. McCoy</p>	<b>Director, Privacy, Information Protection, and Data Security</b>
<b>Tax Exempt and Government Entities Division</b>	<b>Office of Chief Financial Officer</b>	<p><i>Associate Chief Information Officer, Enterprise Operations</i> Lauren Buschor</p>	<b>Whistleblower Office</b>
<b>Commissioner, Tax Exempt and Government Entities</b>	<p><b>Chief Financial Officer</b> Gregory E. Kane (Acting) <i>Deputy Chief Financial Officer</i> (Vacant)</p>	<p><i>Associate Chief Information Officer, Enterprise Networks</i> Stephen L. Manning <i>Associate Chief Information Officer, Enterprise Services</i> Robert N. Crawford</p>	<b>Director, Whistleblower Office</b>
<p>Sarah Hall Ingram</p>			<p>Stephen A. Whitlock</p>

# Principal Officers of the Internal Revenue Service

as of September 30, 2010

## Office of Chief Counsel

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### Chief Counsel

William J. Wilkins

*Deputy Chief Counsel  
(Operations)*

Christopher B. Sterner

*Deputy Chief Counsel  
(Technical)*

Clarissa C. Potter

*Special Counsel  
(National Taxpayer Advocate Service)*

Judith M. Wall

*Division Counsel/  
Associate Chief Counsel  
(Criminal Tax)*

Edward F. Cronin

*Division Counsel  
(Large and Mid-Size Business)*

Linda M. Kroening

*Division Counsel  
(Small Business/Self-Employed)*

Thomas R. Thomas

*Division Counsel/  
Associate Chief Counsel  
(Tax Exempt and Government Entities)*

Nancy J. Marks

*Division Counsel  
(Wage and Investment)*

Joanne B. Minsky

*Associate Chief Counsel  
(Corporate)*

William D. Alexander

*Associate Chief Counsel  
(Finance and Management)*

Dennis M. Ferrara

*Associate Chief Counsel  
(Financial Institutions and Products)*

Stephen R. Larson

*Associate Chief Counsel  
(General Legal Services)*

Mark S. Kaizen

*Associate Chief Counsel  
(Income Tax and Accounting)*

George J. Blaine

*Associate Chief Counsel  
(International)*

Steven A. Musher

*Associate Chief Counsel  
(Passthroughs and Special Industries)*

Curtis G. Wilson

*Associate Chief Counsel  
(Procedure and Administration)*

Deborah A. Butler

# Commissioners of Internal Revenue

## Office of Commissioner of Internal Revenue Created by Act of Congress, July 1, 1862

<b>George S. Boutwell</b> Massachusetts July 17, 1862 to March 4, 1863	<b>John W. Mason</b> West Virginia March 21, 1889 to April 18, 1893	<b>H. F. Mires</b> (Acting) Washington Aug. 16, 1930 to Aug. 19, 1930	<b>Dana Latham</b> California Nov. 5, 1958 to Jan. 20, 1961	<b>James I. Owens</b> (Acting) Alabama May 1, 1986 to Aug. 3, 1986
<b>Joseph J. Lewis</b> (Acting) Pennsylvania Mar. 5, 1863 to Mar. 17, 1863	<b>Joseph S. Miller</b> West Virginia April 19, 1893 to Nov. 26, 1896	<b>David Burnet</b> Ohio Aug. 20, 1930 to May 15, 1933	<b>Charles I. Fox</b> (Acting) Utah Jan. 21, 1961 to Feb. 6, 1961	<b>Lawrence B. Gibbs</b> Texas Aug. 4, 1986 to March 4, 1989
<b>Joseph J. Lewis</b> Pennsylvania March 18, 1863 to June 30, 1865	<b>W. St. John Forman</b> Illinois Nov. 27, 1896 to Dec. 31, 1897	<b>Pressly R. Baldrige</b> (Acting) Iowa May 16, 1933 to June 5, 1933	<b>Mortimer M. Caplin</b> Virginia Feb. 7, 1961 to July 10, 1964	<b>Michael J. Murphy</b> (Acting) Wisconsin March 5, 1989 to July 4, 1989
<b>William Orton</b> New York July 1, 1865 to Oct. 31, 1865	<b>Nathan B. Scott</b> West Virginia Jan. 1, 1898 to Feb. 28, 1899	<b>Guy T. Helvering</b> Kansas June 6, 1933 to Oct. 8, 1943	<b>Bertrand M. Harding</b> (Acting) Texas July 11, 1964 to Jan. 24, 1965	<b>Fred Goldberg, Jr.</b> Missouri July 5, 1989 to Feb. 2, 1992
<b>Edward A. Rollins</b> New Hampshire Nov. 1, 1865 to Mar. 10, 1869	<b>George W. Wilson</b> Ohio Mar. 1, 1899 to Nov. 27, 1900	<b>Robert E. Hannegan</b> Missouri Oct. 9, 1943 to Jan. 22, 1944	<b>Sheldon S. Cohen</b> Maryland Jan. 25, 1965 to Jan. 20, 1969	<b>Shirley D. Peterson</b> Colorado Feb. 3, 1992 to Jan. 20, 1993
<b>Columbus Delano</b> Ohio March 11, 1869 to Oct. 31, 1870	<b>Robert Williams, Jr.</b> (Acting) Ohio Nov. 28, 1900 to Dec. 19, 1900	<b>Harold N. Graves</b> (Acting) Illinois Jan. 23, 1944 to Feb. 29, 1944	<b>William H. Smith</b> (Acting) Virginia Jan. 21, 1969 to Mar. 31, 1969	<b>Michael P. Dolan</b> (Acting) Iowa Jan. 21, 1993 to May 26, 1993
<b>John W. Douglass</b> (Acting) Pennsylvania Nov. 1, 1870 to Jan. 2, 1871	<b>John W. Yerkes</b> Kentucky Dec. 20, 1900 to April 30, 1907	<b>Joseph D. Nunan, Jr.</b> New York March 1, 1944 to June 30, 1947	<b>Randolph W. Thrower</b> Georgia April 1, 1969 to June 22, 1971	<b>Margaret Milner Richardson</b> Texas May 27, 1993 to May 31, 1997
<b>Alfred Pleasonton</b> New York Jan. 3, 1871 to Aug. 8, 1871	<b>Henry C. Rogers</b> (Acting) Pennsylvania May 1, 1907 to June 4, 1907	<b>George J. Schoeneman</b> Rhode Island July 1, 1947 to July 31, 1951	<b>Harold T. Swartz</b> (Acting) Indiana June 23, 1971 to Aug. 5, 1971	<b>Michael P. Dolan</b> (Acting) Iowa June 1, 1997 to Nov. 12, 1997
<b>John W. Douglass</b> Pennsylvania Aug. 9, 1871 to May 14, 1875	<b>John G. Capers</b> South Carolina June 5, 1907 to Aug. 31, 1909	<b>John B. Dunlap</b> Texas Aug. 1, 1951 to Nov. 18, 1952	<b>Johnnie M. Walters</b> South Carolina Aug. 6, 1971 to April 30, 1973	<b>Charles O. Rossotti</b> New York Nov. 13, 1997 to Nov. 6, 2002
<b>Daniel D. Pratt</b> Indiana May 15, 1875 to Aug. 1, 1876	<b>Royal E. Cabell</b> Virginia Sept. 1, 1909 to April 27, 1913	<b>John S. Graham</b> (Acting) North Carolina Nov. 19, 1952 to Jan. 19, 1953	<b>Raymond F. Harless</b> (Acting) California May 1, 1973 to May 25, 1973	<b>Bob Wenzel</b> (Acting) Illinois Nov. 7, 2002 to April 30, 2003
<b>Green B. Raum</b> Illinois Aug. 2, 1876 to April 30, 1883	<b>William H. Osborn</b> North Carolina April 28, 1913 to Sept. 25, 1917	<b>Justin F. Winkle</b> (Acting) New York Jan. 20, 1953 to Feb. 3, 1953	<b>Donald C. Alexander</b> Ohio May 26, 1973 to Feb. 26, 1977	<b>Mark W. Everson</b> New York May 1, 2003 to May 28, 2007
<b>Henry C. Rogers</b> (Acting) Pennsylvania May 1, 1883 to May 10, 1883	<b>Daniel C. Roper</b> South Carolina Sept. 26, 1917 to Mar. 31, 1920	<b>T. Coleman Andrews</b> Virginia Feb. 4, 1953 to Oct. 31, 1955	<b>William E. Williams</b> (Acting) Illinois Feb. 27, 1977 to May 4, 1977	<b>Kevin M. Brown</b> (Acting) Virginia May 29, 2007 to Sept. 8, 2007
<b>John J. Knox</b> (Acting) Minnesota May 11, 1883 to May 20, 1883	<b>William M. Williams</b> Alabama April 1, 1920 to April 11, 1921	<b>O. Gordon Delk</b> (Acting) Virginia Nov. 1, 1955 to Dec. 4, 1955	<b>Jerome Kurtz</b> Pennsylvania May 5, 1977 to Oct. 31, 1980	<b>Linda E. Stiff</b> (Acting) Germany Sept. 9, 2007 to Mar. 23, 2008
<b>Walter Evans</b> Kentucky May 21, 1883 to March 19, 1885	<b>Millard F. West</b> (Acting) Kentucky April 12, 1921 to May 26, 1921	<b>Russell C. Harrington</b> Rhode Island Dec. 5, 1955 to Sept. 30, 1958	<b>William E. Williams</b> (Acting) Illinois Nov. 1, 1980 to March 13, 1981	<b>Douglas H. Shulman</b> Ohio March 24, 2008 to present
<b>Joseph S. Miller</b> West Virginia March 20, 1885 to March 20, 1889	<b>David H. Blair</b> North Carolina May 27, 1921 to May 31, 1929	<b>O. Gordon Delk</b> (Acting) Virginia Oct. 1, 1958 to Nov. 4, 1958	<b>Roscoe L. Egger, Jr.</b> Indiana March 14, 1981 to April 30, 1986	
	<b>Robert H. Lucas</b> Kentucky June 1, 1929 to Aug. 15, 1930			

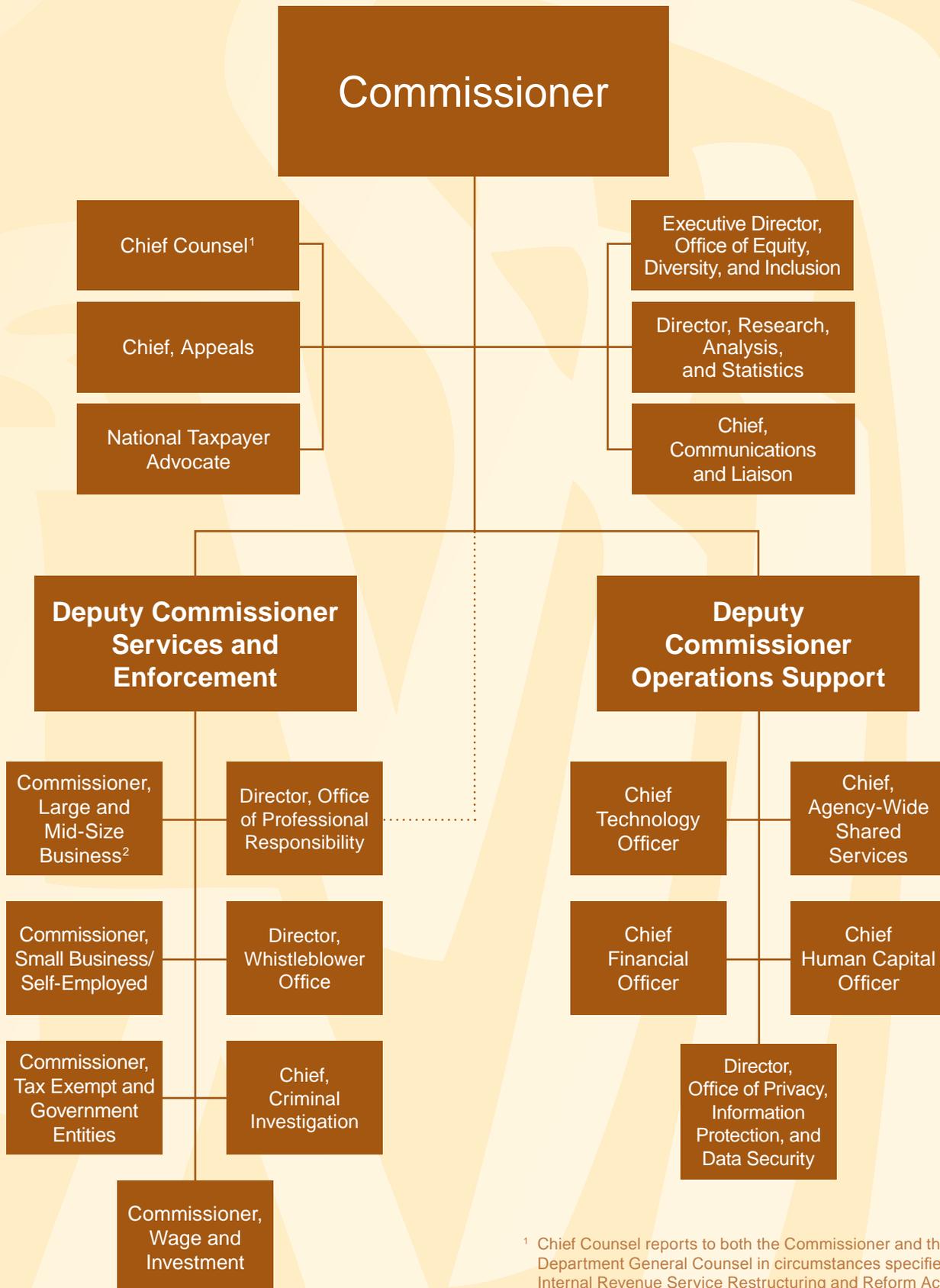
## Chief Counsels for the Internal Revenue Service

Walter H. Smith .....	1866
William McMichael.....	1871
Charles Chesley .....	1871
Thomas J. Smith.....	1888
Alphonso Hart.....	1890
Robert T. Hough .....	1893
George M. Thomas.....	1897
Albert W. Wishard.....	1901
A.B. Hayes.....	1903
Fletcher Maddox.....	1908
Ellis C. Johnson.....	1913
A.A. Ballantine .....	1918
D.M. Kelleher.....	1919
Robert N. Miller.....	1919
Wayne Johnson.....	1920
Carl A. Mapes.....	1920
Nelson T. Hartson .....	1923
Alexander W. Gregg .....	1925
Clarence M. Charest.....	1927
E. Barrett Prettyman .....	1933
Robert H. Jackson .....	1934
Morrison Shaforth .....	1936
John P. Wenchel.....	1937
Charles Oliphant.....	1947
Charles W. Davis.....	1952
Daniel A. Taylor.....	1953
John Potts Barnes .....	1955
Nelson P. Rose .....	1957
Arch M. Cantrall.....	1958
Hart H. Spiegel .....	1959
Crane C. Hauser.....	1961
Sheldon S. Cohen .....	1964
Mitchell Rogovin .....	1965
Lester R. Uretz .....	1966
K. Martin Worthy.....	1969
Lee H. Henkel, Jr.....	1972
Meade Whitaker .....	1973
Stuart E. Seigel.....	1977
N. Jerold Cohen.....	1979
Kenneth W. Gideon .....	1981
Fred Goldberg, Jr.....	1984
William F. Nelson.....	1986
Abraham N. M. Shashy, Jr.....	1990
Stuart L. Brown.....	1994
B. John Williams, Jr. ....	2002
Donald L. Korb.....	2004
William J. Wilkins.....	2009

The following were Acting Chief Counsel during periods when there was no Chief Counsel holding the office:

<b>John W. Burrus</b>
March 2, 1936 to Nov. 30, 1936
<b>Mason B. Leming</b>
Dec. 6, 1951 to May 15, 1952
<b>Kenneth W. Gemmill</b>
June 11, 1953 to Nov. 8, 1953
<b>Rudy P. Hertzog</b>
Dec. 1, 1954 to May 8, 1955
Jan. 20, 1961 to Aug. 16, 1961
Sept. 1, 1963 to Jan. 5, 1964
<b>Herman T. Reiling</b>
Jan. 19, 1957 to March 13, 1957
Aug. 31, 1959 to Sept. 20, 1959
<b>Richard M. Hahn</b>
Jan. 20, 1969 to June 25, 1969
<b>Lee H. Henkel, Jr.</b>
Jan. 16, 1972 to June 11, 1972
<b>Lawrence B. Gibbs</b>
April 17, 1973 to Oct. 19, 1973
<b>Charles L. Saunders, Jr.</b>
Jan. 20, 1977 to April 15, 1977
<b>Leon G. Wigrizer</b>
April 16, 1977 to June 23, 1977
<b>Lester Stein</b>
June 1, 1979 to Nov. 16, 1979
<b>Jerome D. Sebastian</b>
Jan. 21, 1981 to Feb. 2, 1981
March 30, 1981 to Aug. 14, 1981
<b>Emory L. Langdon</b>
Feb. 3, 1981 to March 29, 1981
<b>Joel Gerber</b>
May 28, 1983 to March 17, 1984
<b>V. Jean Owens</b>
March 14, 1986 to July 27, 1986
<b>Peter K. Scott</b>
Nov. 1, 1988 to Feb. 6, 1990
<b>David L. Jordan</b>
Jan. 20, 1993 to Oct. 4, 1994
<b>Richard Skillman</b>
Jan. 20, 2001 to Feb. 6, 2002
<b>Emily A. Parker</b>
Aug. 1, 2003 to April 14, 2004
<b>Clarissa C. Potter</b>
Dec. 19, 2008 to July 24, 2009

NOTE: From 1866 to 1926, the chief legal officer for the Bureau of Internal Revenue was known as the Solicitor. For the next eight years, 1926 to 1934, the chief legal officer had the title of General Counsel. Since 1934, the chief legal officer has operated under the title of Chief Counsel, now for the Internal Revenue Service.



<sup>1</sup> Chief Counsel reports to both the Commissioner and the Treasury Department General Council in circumstances specified by the Internal Revenue Service Restructuring and Reform Act of 1998.

<sup>2</sup> Large and Mid-Size Business was realigned to Large Business and International on October 1, 2010.

