

Section 1

Introduction and Changes in Law

Introduction

This report contains complete individual income tax data for Tax Year 2008. The statistics are based on a stratified probability sample of individual income tax returns, selected before audit, which represents a population of almost 142.5 million Forms 1040, 1040A, and 1040EZ, including electronic returns, filed for Tax Year 2008.

Table A on the following pages presents selected income and tax items for Tax Years 2004 through 2008 as they appear on the forms and provides the percentage change for each item between 2007 and 2008. When comparing income and tax items from different years, it is important to consider any changes in the tax law, which may have affected the data. These tax law changes are explained below. To assist year-to-year

comparisons, Table A includes the items in both current dollars and constant 1990 dollars, as adjusted by the U.S. Department of Labor's consumer price index (CPI-U).

For Tax Year 2008, the number of individual tax returns filed decreased by 0.5 million, or 0.4 percent. Adjusted gross income (AGI) fell \$424.9 billion, or 4.9 percent from 2007 to 2008, compared to the 8.2 percent increase recorded from 2006 to 2007. Total tax liability decreased 6.2 percent to \$1.1 trillion. Several components of AGI showed large decreases between 2007 and 2008. The most notable of these were capital gains distributions reported on form 1040, which decreased 77.5 percent, and net capital gains less loss, which decreased 47.9 percent. Conversely, unemployment compensation increased 48.5 percent.

This report is divided into six sections. Section 1 explains the requirements for filing, changes in the law for 2008, and the 1979 Income Concept. Section 2 describes the sample of individual income tax returns upon which the statistics

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Table A. Selected Income and Tax Items, Tax Years 2004-2008, in Current and Constant 1990 Dollars

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

| Item [1] | Current dollars | | | | | Percent change, 2007 to 2008 |
|---|--------------------|--------------------|--------------------|------------------------|--------------------|---------------------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| All returns | 132,226,042 | 134,372,678 | 138,394,754 | *** 142,978,806 | 142,450,569 | -0.4 |
| Electronically filed returns | 68,380,152 | 73,471,852 | 80,095,643 | 87,851,490 | 95,243,204 | 8.4 |
| Form 1040 returns | 80,603,689 | 81,497,559 | 83,805,545 | 86,300,563 | 84,317,993 | -2.3 |
| Electronically filed returns | 34,900,171 | 39,465,536 | 43,470,129 | 47,982,634 | 51,906,024 | 8.2 |
| Form 1040A returns | 30,572,631 | 31,326,141 | 32,018,556 | 33,507,223 | 36,280,305 | 8.3 |
| Electronically filed returns | 20,771,324 | 22,224,396 | 23,888,067 | 25,420,635 | 28,761,499 | 13.1 |
| Form 1040EZ returns | 21,049,722 | 21,548,977 | ** 22,570,653 | 23,171,020 | 21,852,270 | -5.7 |
| Electronically filed returns | * 12,708,657 | 11,781,921 | 12,737,447 | 14,448,221 | 14,575,681 | 0.9 |
| Salaries and wages | | | | | | |
| Number of returns | 112,369,812 | 114,070,880 | 116,379,376 | 120,844,802 | 119,578,500 | -1.0 |
| Amount | 4,921,806,344 | 5,155,407,373 | 5,469,370,119 | 5,842,269,820 | 5,950,634,829 | 1.9 |
| Taxable interest | | | | | | |
| Number of returns | 57,605,888 | 59,249,357 | 62,401,235 | 64,505,131 | 62,449,609 | -3.2 |
| Amount | 125,474,158 | 162,432,720 | 222,707,445 | 268,058,182 | 223,291,064 | -16.7 |
| Tax-exempt interest | | | | | | |
| Number of returns | 4,416,851 | 4,497,973 | 6,038,822 | 6,321,596 | 6,453,113 | 2.1 |
| Amount | 52,031,763 | 57,693,924 | 72,970,971 | 79,351,341 | 79,821,721 | 0.6 |
| Ordinary dividends | | | | | | |
| Number of returns | 30,687,178 | 31,175,376 | 31,619,775 | 32,006,152 | 31,043,113 | -3.0 |
| Amount | 146,838,808 | 166,482,004 | 199,359,146 | 237,052,127 | 219,330,668 | -7.5 |
| Qualified dividends | | | | | | |
| Number of returns | 24,549,867 | 25,853,686 | 26,584,184 | 27,145,274 | 26,409,275 | -2.7 |
| Amount | 110,500,411 | 118,980,474 | 137,195,800 | 155,872,285 | 158,975,193 | 2.0 |
| State income tax refunds | | | | | | |
| Number of returns | 23,621,296 | 22,110,769 | 22,964,214 | 23,592,999 | 22,819,648 | -3.3 |
| Amount | 22,735,928 | 22,204,760 | 24,206,006 | 27,046,648 | 27,569,478 | 1.9 |
| Alimony received | | | | | | |
| Number of returns | 439,608 | 457,488 | 441,514 | 457,308 | 436,700 | -4.5 |
| Amount | 7,262,338 | 7,979,270 | 8,120,381 | 8,759,334 | 8,779,355 | 0.2 |
| Business or profession net income, less loss | | | | | | |
| Number of returns | 20,252,079 | 21,057,329 | 21,656,409 | 22,629,468 | 22,111,687 | -2.3 |
| Amount | 247,217,287 | 269,701,056 | 281,527,260 | 279,736,260 | 264,234,283 | -5.5 |
| Net capital gain in AGI less loss | | | | | | |
| Number of returns | 22,388,659 | 22,040,458 | 22,069,069 | 22,143,812 | 20,409,219 | -7.8 |
| Amount | 471,735,648 | 663,057,140 | 771,045,623 | 895,673,984 | 466,578,810 | -47.9 |
| Capital gain distributions reported on Form 1040 | | | | | | |
| Number of returns | 2,878,263 | 4,155,219 | 4,599,135 | 5,012,429 | 3,321,856 | -33.7 |
| Amount | 1,925,990 | 4,958,078 | 8,416,731 | 11,981,884 | 2,693,831 | -77.5 |
| Sales of property other than capital assets, net gain less loss | | | | | | |
| Number of returns | 1,749,934 | 1,777,203 | 1,778,803 | 1,751,136 | 1,722,608 | -1.6 |
| Amount | 2,502,516 | 3,662,932 | 4,201,647 | 4,356,742 | -7,811,362 | -279.3 |
| Total IRA distributions | | | | | | |
| Number of returns | 9,516,936 | 10,024,085 | 10,635,115 | 11,395,793 | 12,052,397 | 5.8 |
| Amount | 131,491,539 | 146,906,503 | 165,503,242 | 189,848,217 | 216,258,321 | 13.9 |
| Taxable IRA distributions | | | | | | |
| Number of returns | 8,913,846 | 9,387,189 | 9,965,065 | 10,683,225 | 11,259,424 | 5.4 |
| Amount | 101,672,181 | 112,277,199 | 124,705,552 | 147,959,327 | 162,150,226 | 9.6 |
| Total pensions and annuities | | | | | | |
| Number of returns | 25,130,018 | 25,352,088 | 26,511,367 | 27,678,148 | 28,011,742 | 1.2 |
| Amount | 627,664,241 | 685,308,391 | 780,831,489 | 851,528,103 | 844,774,212 | -0.8 |
| Taxable pensions and annuities | | | | | | |
| Number of returns | 23,123,390 | 23,247,374 | 24,098,220 | 25,180,637 | 25,540,246 | 1.4 |
| Amount | 394,285,849 | 420,144,855 | 450,454,465 | 490,581,465 | 506,269,008 | 3.2 |
| Rents, royalties, partnerships, estates, trusts, etc. | | | | | | |
| Number of returns | 15,191,999 | 15,510,991 | 15,624,588 | 16,184,703 | 16,273,369 | 0.5 |
| Amount | 357,378,135 | 447,047,895 | 466,087,829 | 453,450,913 | 418,055,577 | -7.8 |
| Farm net income less loss | | | | | | |
| Number of returns | 2,004,898 | 1,981,249 | 1,958,273 | 1,977,943 | 1,948,054 | -1.5 |
| Amount | -13,239,205 | -12,168,786 | -15,331,319 | -14,693,259 | -14,846,610 | -1.0 |
| Unemployment compensation | | | | | | |
| Number of returns | 9,094,911 | 7,887,700 | 7,378,438 | 7,622,280 | 9,532,896 | 25.1 |
| Amount | 32,740,272 | 27,857,367 | 26,523,665 | 29,415,079 | 43,674,694 | 48.5 |
| Social security benefits (received) | | | | | | |
| Number of returns | 14,759,589 | 15,510,458 | 20,609,364 | 22,587,781 | 24,066,883 | 6.5 |
| Amount | 231,873,220 | 252,239,705 | 339,754,476 | 382,324,621 | 415,587,419 | 8.7 |
| Taxable social security benefits | | | | | | |
| Number of returns | 11,691,859 | 12,660,754 | 13,749,185 | 15,011,961 | 15,015,435 | [6] |
| Amount | 110,462,387 | 124,829,069 | 144,403,839 | 167,186,633 | 168,110,210 | 0.6 |

Footnotes at end of table.

Table A. Selected Income and Tax Items, Tax Years 2004-2008, in Current and Constant 1990 Dollars—Continued

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

| Item [1] | Current dollars | | | | | Percent change, 2007 to 2008 |
|---|-----------------|---------------|---------------|---------------|---------------|---------------------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Foreign earned income exclusion [2] | | | | | | |
| Number of returns | 295,313 | 303,940 | 329,264 | 343,077 | 371,885 | 8.4 |
| Amount | 15,446,376 | 16,275,890 | 18,154,653 | 19,888,233 | 22,891,602 | 15.1 |
| Net operating loss [2] | | | | | | |
| Number of returns | 829,838 | 862,791 | 916,899 | 922,895 | 920,078 | -0.3 |
| Amount | 75,011,556 | 79,451,741 | 80,795,920 | 86,369,141 | 97,019,034 | 12.3 |
| Other income, less loss [2] | | | | | | |
| Number of returns | 5,891,550 | 6,811,025 | 6,176,952 | 6,607,358 | 6,786,526 | 2.7 |
| Amount | 23,197,673 | 26,863,382 | 29,938,461 | 36,140,255 | 34,267,297 | -5.2 |
| Total income | | | | | | |
| Number of returns | 131,924,074 | 134,114,986 | 137,228,802 | 142,586,333 | 141,788,473 | -0.6 |
| Amount | 6,886,851,809 | 7,531,892,210 | 8,144,688,302 | 8,810,738,960 | 8,384,459,552 | -4.8 |
| Educator expenses | | | | | | |
| Number of returns | 3,402,468 | 3,503,719 | 3,166,931 | 3,654,214 | 3,753,395 | 2.7 |
| Amount | 858,457 | 877,796 | 805,568 | 925,997 | 947,072 | 2.3 |
| Certain business expenses of reservists, performing artists, and fee-basis government officials | | | | | | |
| Number of returns | 105,135 | 100,111 | 120,468 | 135,102 | 129,275 | -4.3 |
| Amount | 252,597 | 285,073 | 368,258 | 420,756 | 416,104 | -1.1 |
| Health savings account deduction | | | | | | |
| Number of returns | 90,857 | 215,781 | 358,968 | 592,526 | 835,619 | 41.0 |
| Amount | 190,732 | 510,690 | 868,560 | 1,500,881 | 2,209,984 | 47.2 |
| Moving expenses | | | | | | |
| Number of returns | 1,096,436 | 1,134,137 | 1,082,576 | 1,119,044 | 1,113,455 | -0.5 |
| Amount | 2,952,043 | 3,076,563 | 3,159,251 | 2,903,022 | 3,003,231 | 3.5 |
| One-half of self-employment tax | | | | | | |
| Number of returns | 15,920,203 | 16,694,655 | 17,074,708 | 17,840,382 | 17,411,224 | -2.4 |
| Amount | 21,109,366 | 22,733,881 | 23,925,376 | 24,759,998 | 24,286,264 | -1.9 |
| Keogh retirement plan | | | | | | |
| Number of returns | 1,201,332 | 1,256,900 | 1,228,299 | 1,191,135 | 1,010,421 | -15.2 |
| Amount | 19,295,952 | 21,268,404 | 22,011,551 | 22,262,415 | 20,261,952 | -9.0 |
| Self-employed health insurance | | | | | | |
| Number of returns | 3,883,687 | 3,901,082 | 3,804,190 | 3,838,721 | 3,617,716 | -5.8 |
| Amount | 18,457,063 | 19,645,889 | 20,302,533 | 21,283,306 | 21,193,681 | -0.4 |
| Penalty on early withdrawal of savings | | | | | | |
| Number of returns | 780,327 | 805,625 | 1,164,171 | 1,164,446 | 1,310,949 | 12.6 |
| Amount | 209,833 | 265,870 | 429,850 | 352,592 | 389,043 | 10.3 |
| Alimony paid adjustment | | | | | | |
| Number of returns | 574,001 | 588,463 | 585,286 | 599,587 | 580,015 | -3.3 |
| Amount | 8,470,128 | 8,954,038 | 9,115,764 | 9,496,674 | 9,621,349 | 1.3 |
| Total taxpayer IRA adjustment | | | | | | |
| Number of returns | 3,330,763 | 3,256,066 | 3,230,531 | 3,299,773 | 2,739,675 | -17.0 |
| Amount | 10,028,607 | 12,003,037 | 12,533,506 | 12,876,504 | 11,665,532 | -9.4 |
| Student loan interest deduction | | | | | | |
| Number of returns | 7,527,249 | 8,072,896 | 8,540,900 | 9,091,081 | 9,135,508 | 0.5 |
| Amount | 4,398,734 | 5,052,720 | 6,156,865 | 7,463,755 | 7,730,515 | 3.6 |
| Tuition and fees deduction | | | | | | |
| Number of returns | 4,710,253 | 4,696,013 | 4,015,828 | 4,543,382 | 4,576,654 | 0.7 |
| Amount | 10,589,279 | 10,846,990 | 9,620,615 | 10,578,961 | 11,001,733 | 4.0 |
| Domestic production activities deduction | | | | | | |
| Number of returns | N/A | 336,959 | 421,128 | 478,999 | 501,755 | 4.8 |
| Amount | N/A | 2,360,983 | 3,303,121 | 6,780,483 | 7,011,197 | 3.4 |
| Archer MSA deduction | | | | | | |
| Number of returns | 32,334 | 18,808 | 18,668 | 10,972 | 8,921 | -18.7 |
| Amount | 66,602 | 41,341 | 35,106 | 21,748 | 16,796 | -22.8 |
| Foreign housing deductions | | | | | | |
| Number of returns | 3,352 | 2,417 | 3,942 | 5,238 | 6,862 | 31.0 |
| Amount | 59,899 | 70,962 | 83,632 | 98,011 | 129,783 | 32.4 |
| Other adjustments | | | | | | |
| Number of returns | 188,210 | 257,014 | 137,296 | 139,569 | 151,165 | 8.3 |
| Amount | 1,107,387 | 1,402,311 | 1,073,988 | 1,295,091 | 1,715,146 | 32.4 |
| Total statutory adjustments | | | | | | |
| Number of returns | 32,153,965 | 33,591,124 | 33,980,524 | 36,050,434 | 35,773,805 | -0.8 |
| Amount | 98,046,679 | 109,396,547 | 113,845,357 | 123,020,191 | 121,599,382 | -1.2 |
| Adjusted gross income or loss (AGI) | | | | | | |
| Amount | 6,788,805,130 | 7,422,495,663 | 8,030,842,945 | 8,687,718,769 | 8,262,860,170 | -4.9 |
| Total itemized deductions | | | | | | |
| Number of returns | 46,335,237 | 47,755,427 | 49,123,555 | 50,544,470 | 48,167,223 | -4.7 |
| Amount | 998,238,457 | 1,121,810,935 | 1,229,237,288 | 1,333,036,542 | 1,322,276,380 | -0.8 |
| Total standard deduction | | | | | | |
| Number of returns | 84,016,753 | 84,841,222 | 86,583,732 | 90,510,904 | 91,780,792 | 1.4 |
| Amount | 560,932,618 | 580,747,711 | 607,464,186 | 654,181,656 | 695,487,631 | 6.3 |

Footnotes at end of table.

Individual Returns 2008

Table A. Selected Income and Tax Items, Tax Years 2004-2008, in Current and Constant 1990 Dollars—Continued

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

| Item [1] | Current dollars | | | | | Percent change, 2007 to 2008 |
|--|-----------------|---------------|---------------|---------------|---------------|---------------------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Basic standard deduction | | | | | | |
| Number of returns | 84,016,753 | 84,841,222 | 86,583,732 | 90,510,904 | 91,780,792 | 1.4 |
| Amount | 545,082,218 | 564,186,053 | 590,487,763 | 635,824,934 | 663,412,108 | 4.3 |
| Additional standard deduction | | | | | | |
| Number of returns | 10,985,079 | 10,996,440 | 11,261,327 | 11,703,100 | 12,523,644 | 7.0 |
| Amount | 15,850,401 | 16,561,658 | 16,976,422 | 18,356,722 | 19,941,237 | 8.6 |
| AGI less deductions | | | | | | |
| Number of returns | 116,042,570 | 118,115,885 | 120,676,830 | 125,121,755 | 123,533,612 | -1.3 |
| Amount | 5,360,753,836 | 5,859,016,944 | 6,340,706,374 | 6,871,049,690 | 6,485,665,094 | -5.6 |
| Number of exemptions | 263,896,304 | 269,043,070 | 275,256,944 | 282,613,371 | 282,928,837 | 0.1 |
| Exemption amount | 800,690,043 | 839,904,186 | 891,911,609 | 943,171,372 | 980,976,976 | 4.0 |
| Taxable income | | | | | | |
| Number of returns | 102,737,959 | 104,330,653 | 106,667,402 | 110,533,209 | 107,994,637 | -2.3 |
| Amount | 4,670,165,637 | 5,137,165,874 | 5,579,145,443 | 6,063,263,892 | 5,652,925,474 | -6.8 |
| Tax from table, rate schedules, etc. | | | | | | |
| Number of returns | 102,721,593 | 104,321,332 | 106,658,774 | 110,522,670 | 107,149,531 | -3.1 |
| Amount | 871,227,853 | 972,706,955 | 1,061,247,534 | 1,155,415,243 | 1,081,261,635 | -6.4 |
| Additional taxes | | | | | | |
| Number of returns | 9,884 | 10,595 | 12,787 | 13,249 | 13,735 | 3.7 |
| Amount | 85,611 | 23,740 | 43,250 | 13,823 | 21,864 | 58.2 |
| Alternative minimum tax | | | | | | |
| Number of returns | 3,096,299 | 4,004,756 | 3,966,540 | 4,108,964 | 3,935,248 | -4.2 |
| Amount | 13,029,239 | 17,421,071 | 21,564,586 | 24,109,512 | 25,649,084 | 6.4 |
| Income tax before credits | | | | | | |
| Number of returns | 102,740,921 | 104,345,964 | 106,688,255 | 110,547,299 | 107,201,197 | -3.0 |
| Amount | 884,342,703 | 990,151,766 | 1,082,855,370 | 1,179,538,578 | 1,106,932,583 | -6.2 |
| Child care credit | | | | | | |
| Number of returns | 6,316,649 | 6,500,596 | 6,466,792 | 6,491,844 | 6,587,103 | 1.5 |
| Amount | 3,337,984 | 3,462,104 | 3,486,637 | 3,483,152 | 3,526,697 | 1.3 |
| Credit for elderly or disabled | | | | | | |
| Number of returns | 107,914 | 101,627 | 98,261 | 89,767 | 75,488 | -15.9 |
| Amount | 18,740 | 14,127 | 14,571 | 12,469 | 10,070 | -19.2 |
| Education credits | | | | | | |
| Number of returns | 7,180,884 | 7,057,251 | 7,725,138 | 7,435,044 | 7,740,979 | 4.1 |
| Amount | 6,016,805 | 6,119,631 | 7,022,420 | 6,910,412 | 7,632,594 | 10.5 |
| Residential energy credit | | | | | | |
| Number of returns | N/A | N/A | 4,344,189 | 4,326,398 | 225,733 | -94.8 |
| Amount | N/A | N/A | 1,000,149 | 1,007,577 | 216,687 | -78.5 |
| Foreign tax credit | | | | | | |
| Number of returns | 4,700,259 | 5,398,046 | 6,418,317 | 7,642,644 | 6,708,279 | -12.2 |
| Amount | 6,757,994 | 9,361,989 | 10,958,470 | 15,435,196 | 16,572,321 | 7.4 |
| Child tax credit | | | | | | |
| Number of returns | 25,988,711 | 25,950,568 | 25,741,511 | 25,889,333 | 25,173,769 | -2.8 |
| Amount | 32,300,455 | 32,047,620 | 31,741,551 | 31,556,282 | 30,537,638 | -3.2 |
| Retirement savings contributions credit | | | | | | |
| Number of returns | 5,288,732 | 5,293,605 | 5,192,133 | 5,862,206 | 5,961,299 | 1.7 |
| Amount | 1,011,506 | 944,531 | 893,957 | 976,846 | 977,386 | 0.1 |
| Adoption credit | | | | | | |
| Number of returns | 71,136 | 84,793 | 93,369 | 94,128 | 88,628 | -5.8 |
| Amount | 301,890 | 319,558 | 351,184 | 396,039 | 353,493 | -10.7 |
| General business credit | | | | | | |
| Number of returns | 248,506 | 251,386 | 386,681 | 230,821 | 303,756 | 31.6 |
| Amount | 635,391 | 877,850 | 1,302,464 | 845,539 | 1,649,280 | 95.1 |
| Prior year minimum tax credit | | | | | | |
| Number of returns | 274,596 | 290,376 | 359,098 | 395,359 | 415,592 | 5.1 |
| Amount | 902,000 | 1,081,252 | 1,032,247 | 1,034,675 | 945,226 | -8.6 |
| Total credits [3] | | | | | | |
| Number of returns | 39,841,978 | 40,526,374 | 44,397,533 | 46,084,671 | 42,392,934 | -8.0 |
| Amount | 51,599,346 | 54,571,100 | 58,141,809 | 62,630,766 | 62,626,419 | [6] |
| Income tax after credits | | | | | | |
| Number of returns | 90,876,672 | 92,343,186 | 94,509,890 | 98,369,138 | 95,188,516 | -3.2 |
| Amount | 832,743,358 | 935,580,666 | 1,024,713,561 | 1,116,907,812 | 1,044,306,164 | -6.5 |
| Self-employment tax | | | | | | |
| Number of returns | 15,920,203 | 16,694,655 | 17,074,708 | 17,840,382 | 17,411,224 | -2.4 |
| Amount | 42,210,737 | 45,459,427 | 47,842,244 | 49,511,062 | 48,564,239 | -1.9 |
| Recapture taxes | | | | | | |
| Number of returns | 41,161 | 15,206 | 12,536 | 17,924 | 18,909 | 5.5 |
| Amount | 173,122 | 299,191 | 320,788 | 413,740 | 372,938 | -9.9 |
| Social security, Medicare tax on tip income not reported | | | | | | |
| Number of returns | 517,609 | 335,818 | 355,457 | 194,630 | 178,990 | -8.0 |
| Amount | 107,929 | 79,220 | 73,109 | 30,331 | 26,725 | -11.9 |

Footnotes at end of table.

Table A. Selected Income and Tax Items, Tax Years 2004-2008, in Current and Constant 1990 Dollars—Continued

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

| Item [1] | Current dollars | | | | | Percent change, 2007 to 2008 |
|--|-----------------|---------------|---------------|---------------|---------------|---------------------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Tax on qualified retirement plans | | | | | | |
| Number of returns | 4,924,584 | 4,822,297 | 5,148,030 | 5,550,175 | 5,734,262 | 3.3 |
| Amount | 3,640,374 | 3,820,152 | 4,347,720 | 5,004,547 | 5,273,134 | 5.4 |
| Advanced earned income credit payments | | | | | | |
| Number of returns | 142,639 | 122,078 | 129,124 | 138,647 | 140,253 | 1.2 |
| Amount | 62,360 | 58,167 | 62,149 | 69,336 | 78,248 | 12.9 |
| Household employment taxes | | | | | | |
| Number of returns | 243,702 | 228,381 | 225,441 | 222,146 | 218,804 | -1.5 |
| Amount | 885,832 | 936,858 | 917,524 | 914,059 | 966,299 | 5.7 |
| Total tax liability [4] | | | | | | |
| Number of returns | 98,115,557 | 99,880,223 | 102,363,945 | 106,650,214 | 103,776,175 | -2.7 |
| Amount | 879,962,609 | 986,460,793 | 1,078,601,440 | 1,173,264,964 | 1,100,039,736 | -6.2 |
| Income tax withheld | | | | | | |
| Number of returns | 116,312,978 | 118,161,380 | 120,500,889 | 125,583,890 | 124,388,369 | -1.0 |
| Amount | 731,734,362 | 782,659,594 | 843,094,979 | 912,563,316 | 932,116,047 | 2.1 |
| Estimated tax payments | | | | | | |
| Number of returns | 10,996,504 | 11,053,213 | 11,128,072 | 11,523,634 | 11,153,666 | -3.2 |
| Amount | 188,770,357 | 221,001,524 | 252,998,613 | 284,119,655 | 285,930,452 | 0.6 |
| Earned income credit | | | | | | |
| Number of returns | 22,270,550 | 22,751,904 | 23,042,200 | 24,583,940 | 24,756,744 | 0.7 |
| Amount | 40,024,074 | 42,410,290 | 44,387,566 | 48,539,994 | 50,669,263 | 4.4 |
| Nontaxable combat pay election | | | | | | |
| Number of returns | 10,024 | 21,973 | 8,323 | 6,642 | 10,590 | 59.4 |
| Amount | 9,283 | 328,268 | 90,997 | 109,650 | 139,757 | 27.5 |
| Additional child tax credit | | | | | | |
| Number of returns | 14,528,434 | 15,219,712 | 15,590,592 | 15,884,285 | 18,160,498 | 14.3 |
| Amount | 14,450,019 | 15,495,160 | 16,248,889 | 16,690,219 | 20,426,787 | 22.4 |
| Payment with an extension request | | | | | | |
| Number of returns | 1,518,779 | 1,627,572 | 1,758,125 | 1,773,576 | 1,486,081 | -16.2 |
| Amount | 59,268,206 | 77,833,848 | 86,530,919 | 96,167,969 | 65,144,561 | -32.3 |
| Excess social security tax withheld | | | | | | |
| Number of returns | 1,242,604 | 1,383,240 | 1,443,437 | 1,544,389 | 1,464,021 | -5.2 |
| Amount | 1,727,641 | 2,023,314 | 2,288,807 | 2,519,084 | 2,468,691 | -2.0 |
| Other payments: | | | | | | |
| Form 2439 | | | | | | |
| Number of returns | 9,608 | 19,812 | 84,547 | 39,521 | 90,333 | 128.6 |
| Amount | 33,754 | 52,976 | 52,199 | 119,959 | 145,091 | 21.0 |
| Form 4136 | | | | | | |
| Number of returns | 345,020 | 340,769 | 318,754 | 305,765 | 317,783 | 3.9 |
| Amount | 86,378 | 101,712 | 85,905 | 88,950 | 95,267 | 7.1 |
| Form 8885 | | | | | | |
| Number of returns | 16,314 | 13,380 | 22,397 | 22,550 | 8,749 | -61.2 |
| Amount | 23,595 | 27,078 | 27,567 | 39,343 | 23,039 | -41.4 |
| Refundable prior year minimum tax credit | | | | | | |
| Number of returns | N/A | N/A | N/A | 151,643 | 288,093 | 90.0 |
| Amount | N/A | N/A | N/A | 508,074 | 2,508,066 | 393.6 |
| First-time homebuyer credit | | | | | | |
| Number of returns | N/A | N/A | N/A | N/A | 1,203,566 | [7] |
| Amount | N/A | N/A | N/A | N/A | 8,373,054 | [7] |
| Total payments | | | | | | |
| Number of returns | 124,989,700 | 126,781,067 | 134,948,299 | 135,128,289 | 135,007,847 | -0.1 |
| Amount | 1,036,118,363 | 1,141,605,497 | 1,249,879,508 | 1,361,454,082 | 1,379,724,464 | 1.3 |
| Overpayment, total | | | | | | |
| Number of returns | 103,706,648 | 104,778,359 | 109,915,823 | 110,611,578 | 114,698,578 | 3.7 |
| Amount | 255,064,839 | 272,110,056 | 295,796,995 | 316,924,652 | 378,739,410 | 19.5 |
| Overpayment refunded | | | | | | |
| Number of returns | 100,674,244 | 101,870,385 | 107,001,071 | 107,687,030 | 111,683,923 | 3.7 |
| Amount | 221,371,474 | 232,975,616 | 250,941,390 | 267,872,391 | 324,121,135 | 21.0 |
| Refund credited to next year | | | | | | |
| Number of returns | 4,314,593 | 4,055,960 | 3,978,421 | 4,061,974 | 4,861,285 | 19.7 |
| Amount | 33,693,366 | 39,134,446 | 44,855,606 | 49,052,261 | 54,618,276 | 11.3 |
| Tax due at time of filing | | | | | | |
| Number of returns | 24,452,350 | 25,659,937 | 26,694,105 | 28,599,646 | 22,714,746 | -20.6 |
| Amount | 99,683,779 | 118,232,296 | 126,289,889 | 130,607,837 | 100,277,626 | -23.2 |
| Tax penalty | | | | | | |
| Number of returns | 5,641,853 | 5,882,477 | 6,496,924 | 7,549,807 | 6,355,582 | -15.8 |
| Amount | 774,697 | 1,266,944 | 1,770,962 | 1,872,302 | 1,222,944 | -34.7 |

Footnotes at end of table.

Table A. Selected Income and Tax Items, Tax Years 2004-2008, in Current and Constant 1990 Dollars—Continued

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

| Item [1] | Constant 1990 dollars [5] | | | | | Percent change, 2007 to 2008 |
|---|---------------------------|--------------------|--------------------|------------------------|--------------------|---------------------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | |
| | (7) | (8) | (9) | (10) | (11) | (12) |
| All returns | 132,226,042 | 134,372,678 | 138,394,754 | *** 142,978,806 | 142,450,569 | -0.4 |
| Electronically filed returns | 68,380,152 | 73,471,852 | 80,095,643 | 87,851,490 | 95,243,204 | 8.4 |
| Form 1040 returns | 80,603,689 | 81,497,559 | 83,805,545 | 86,300,563 | 84,317,993 | -2.3 |
| Electronically filed returns | 34,900,171 | 39,465,536 | 43,470,129 | 47,982,634 | 51,906,024 | 8.2 |
| Form 1040A returns | 30,572,631 | 31,326,141 | 32,018,556 | 33,507,223 | 36,280,305 | 8.3 |
| Electronically filed returns | 20,771,324 | 22,224,396 | 23,888,067 | 25,420,635 | 28,761,499 | 13.1 |
| Form 1040EZ returns | 21,049,722 | 21,548,977 | ** 22,570,653 | 23,171,020 | 21,852,270 | -5.7 |
| Electronically filed returns | * 12,708,657 | 11,781,921 | 12,737,447 | 14,448,221 | 14,575,681 | 0.9 |
| Salaries and wages | | | | | | |
| Number of returns | 112,369,812 | 114,070,880 | 116,379,376 | 120,844,802 | 119,578,500 | -1.0 |
| Amount | 3,406,094,356 | 3,450,741,214 | 3,546,932,632 | 3,683,650,580 | 3,613,014,468 | -1.9 |
| Taxable interest received | | | | | | |
| Number of returns | 57,605,888 | 59,249,357 | 62,401,235 | 64,505,131 | 62,449,609 | -3.2 |
| Amount | 86,833,327 | 108,723,373 | 144,427,656 | 169,015,247 | 135,574,417 | -19.8 |
| Tax-exempt interest | | | | | | |
| Number of returns | 4,416,851 | 4,497,973 | 6,038,822 | 6,321,596 | 6,453,113 | 2.1 |
| Amount | 36,008,140 | 38,617,084 | 47,322,290 | 50,032,371 | 48,464,919 | -3.1 |
| Ordinary dividends in AGI | | | | | | |
| Number of returns | 30,687,178 | 31,175,376 | 31,619,775 | 32,006,152 | 31,043,113 | -3.0 |
| Amount | 101,618,552 | 111,433,738 | 129,286,087 | 149,465,402 | 133,169,804 | -10.9 |
| Qualified dividends in AGI | | | | | | |
| Number of returns | 24,549,867 | 25,853,686 | 26,584,184 | 27,145,274 | 26,409,275 | -2.7 |
| Amount | 76,470,873 | 79,638,871 | 88,972,633 | 98,280,129 | 96,524,100 | -1.8 |
| State income tax refund | | | | | | |
| Number of returns | 23,621,296 | 22,110,769 | 22,964,214 | 23,592,999 | 22,819,648 | -3.3 |
| Amount | 15,734,206 | 14,862,624 | 15,697,799 | 17,053,372 | 16,739,209 | -1.8 |
| Alimony received | | | | | | |
| Number of returns | 439,608 | 457,488 | 441,514 | 457,308 | 436,700 | -4.5 |
| Amount | 5,025,839 | 5,340,877 | 5,266,136 | 5,522,909 | 5,330,513 | -3.5 |
| Business or profession net income, less loss | | | | | | |
| Number of returns | 20,252,079 | 21,057,329 | 21,656,409 | 22,629,468 | 22,111,687 | -2.3 |
| Amount | 171,084,628 | 180,522,795 | 182,572,802 | 176,378,474 | 160,433,687 | -9.0 |
| Net capital gain in AGI less loss | | | | | | |
| Number of returns | 22,388,659 | 22,040,458 | 22,069,069 | 22,143,812 | 20,409,219 | -7.8 |
| Amount | 326,460,656 | 443,813,347 | 500,029,587 | 564,737,695 | 283,290,109 | -49.8 |
| Capital gain distributions reported on Form 1040 | | | | | | |
| Number of returns | 2,878,263 | 4,155,219 | 4,599,135 | 5,012,429 | 3,321,856 | -33.7 |
| Amount | 1,332,865 | 3,318,660 | 5,458,321 | 7,554,782 | 1,635,599 | -78.4 |
| Sales of property other than capital assets, net gain less loss | | | | | | |
| Number of returns | 1,749,934 | 1,777,203 | 1,778,803 | 1,751,136 | 1,722,608 | -1.6 |
| Amount | 1,731,845 | 2,451,762 | 2,724,804 | 2,747,000 | -4,742,782 | -272.7 |
| Total IRA distributions | | | | | | |
| Number of returns | 9,516,936 | 10,024,085 | 10,635,115 | 11,395,793 | 12,052,397 | 5.8 |
| Amount | 90,997,605 | 98,330,993 | 107,330,248 | 119,702,533 | 131,304,384 | 9.7 |
| Taxable IRA distributions in AGI | | | | | | |
| Number of returns | 8,913,846 | 9,387,189 | 9,965,065 | 10,683,225 | 11,259,424 | 5.4 |
| Amount | 70,361,371 | 75,152,074 | 80,872,602 | 93,290,875 | 98,451,868 | 5.5 |
| Total pensions and annuities | | | | | | |
| Number of returns | 25,130,018 | 25,352,088 | 26,511,367 | 27,678,148 | 28,011,742 | 1.2 |
| Amount | 434,369,717 | 458,707,089 | 506,375,804 | 536,902,965 | 512,916,947 | -4.5 |
| Taxable pensions and annuities in AGI | | | | | | |
| Number of returns | 23,123,390 | 23,247,374 | 24,098,220 | 25,180,637 | 25,540,246 | 1.4 |
| Amount | 272,862,179 | 281,221,456 | 292,123,518 | 309,319,965 | 307,388,590 | -0.6 |
| Rents, royalties, partnerships, estates, trusts, etc. | | | | | | |
| Number of returns | 15,191,999 | 15,510,991 | 15,624,588 | 16,184,703 | 16,273,369 | 0.5 |
| Amount | 247,320,509 | 299,228,845 | 302,261,887 | 285,908,520 | 253,828,523 | -11.2 |
| Farm net income less loss | | | | | | |
| Number of returns | 2,004,898 | 1,981,249 | 1,958,273 | 1,977,943 | 1,948,054 | -1.5 |
| Amount | -9,162,080 | -8,145,104 | -9,942,490 | -9,264,350 | -9,014,335 | 2.7 |
| Unemployment compensation in AGI | | | | | | |
| Number of returns | 9,094,911 | 7,887,700 | 7,378,438 | 7,622,280 | 9,532,896 | 25.1 |
| Amount | 22,657,628 | 18,646,163 | 17,200,820 | 18,546,708 | 26,517,726 | 43.0 |
| Social security benefits (received) | | | | | | |
| Number of returns | 14,759,589 | 15,510,458 | 20,609,364 | 22,587,781 | 24,066,883 | 6.5 |
| Amount | 160,465,896 | 168,835,144 | 220,333,642 | 241,062,182 | 252,329,945 | 4.7 |
| Taxable social security benefits in AGI | | | | | | |
| Number of returns | 11,691,859 | 12,660,754 | 13,749,185 | 15,011,961 | 15,015,435 | [6] |
| Amount | 76,444,558 | 83,553,594 | 93,647,107 | 105,414,018 | 102,070,559 | -3.2 |

Footnotes at end of table.

Table A. Selected Income and Tax Items, Tax Years 2004-2008, in Current and Constant 1990 Dollars—Continued

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

| Item [1] | Constant 1990 dollars [5] | | | | | Percent change, 2007 to 2008 |
|---|---------------------------|---------------|---------------|---------------|---------------|---------------------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | |
| | (7) | (8) | (9) | (10) | (11) | (12) |
| Foreign earned income exclusion [2] | | | | | | |
| Number of returns | 295,313 | 303,940 | 329,264 | 343,077 | 371,885 | 8.4 |
| Amount | 10,689,534 | 10,894,170 | 11,773,446 | 12,539,869 | 13,898,969 | 10.8 |
| Net operating loss [2] | | | | | | |
| Number of returns | 829,838 | 862,791 | 916,899 | 922,895 | 920,078 | -0.3 |
| Amount | 51,911,111 | 53,180,550 | 52,396,835 | 54,457,214 | 58,906,517 | 8.2 |
| Other income, net gain less loss [2] | | | | | | |
| Number of returns | 5,891,550 | 6,811,025 | 6,176,952 | 6,607,358 | 6,786,526 | 2.7 |
| Amount | 16,053,753 | 17,980,845 | 19,415,344 | 22,787,046 | 20,805,888 | -8.7 |
| Total income | | | | | | |
| Number of returns | 131,924,074 | 134,114,986 | 137,228,802 | 142,586,333 | 141,788,473 | -0.6 |
| Amount | 4,765,987,411 | 5,041,427,182 | 5,281,899,029 | 5,555,320,908 | 5,090,746,540 | -8.4 |
| Educator expenses | | | | | | |
| Number of returns | 3,402,468 | 3,503,719 | 3,166,931 | 3,654,214 | 3,753,395 | 2.7 |
| Amount | 594,088 | 587,548 | 522,418 | 583,857 | 575,029 | -1.5 |
| Certain business expenses of reservists, performing artists, and fee-basis government officials | | | | | | |
| Number of returns | 105,135 | 100,111 | 120,468 | 135,102 | 129,275 | -4.3 |
| Amount | 174,808 | 190,812 | 238,818 | 265,294 | 252,644 | -4.8 |
| Health savings account deduction | | | | | | |
| Number of returns | 90,857 | 215,781 | 358,968 | 592,526 | 835,619 | 41.0 |
| Amount | 131,994 | 341,827 | 563,268 | 946,331 | 1,341,824 | 41.8 |
| Moving expenses | | | | | | |
| Number of returns | 1,096,436 | 1,134,137 | 1,082,576 | 1,119,044 | 1,113,455 | -0.5 |
| Amount | 2,042,936 | 2,059,279 | 2,048,801 | 1,830,405 | 1,823,455 | -0.4 |
| One-half of self-employment tax | | | | | | |
| Number of returns | 15,920,203 | 16,694,655 | 17,074,708 | 17,840,382 | 17,411,224 | -2.4 |
| Amount | 14,608,558 | 15,216,788 | 15,515,808 | 15,611,600 | 14,745,758 | -5.5 |
| Keogh retirement plan | | | | | | |
| Number of returns | 1,201,332 | 1,256,900 | 1,228,299 | 1,191,135 | 1,010,421 | -15.2 |
| Amount | 13,353,600 | 14,235,880 | 14,274,676 | 14,036,832 | 12,302,339 | -12.4 |
| Self-employed health insurance | | | | | | |
| Number of returns | 3,883,687 | 3,901,082 | 3,804,190 | 3,838,721 | 3,617,716 | -5.8 |
| Amount | 12,773,054 | 13,149,859 | 13,166,364 | 13,419,487 | 12,868,052 | -4.1 |
| Penalty on early withdrawal of savings | | | | | | |
| Number of returns | 780,327 | 805,625 | 1,164,171 | 1,164,446 | 1,310,949 | 12.6 |
| Amount | 145,213 | 177,959 | 278,761 | 222,315 | 236,213 | 6.3 |
| Alimony paid adjustment | | | | | | |
| Number of returns | 574,001 | 588,463 | 585,286 | 599,587 | 580,015 | -3.3 |
| Amount | 5,861,680 | 5,993,332 | 5,911,650 | 5,987,815 | 5,841,742 | -2.4 |
| Total taxpayer IRA adjustment | | | | | | |
| Number of returns | 3,330,763 | 3,256,066 | 3,230,531 | 3,299,773 | 2,739,675 | -17.0 |
| Amount | 6,940,212 | 8,034,161 | 8,128,084 | 8,118,855 | 7,082,897 | -12.8 |
| Student loan interest deduction | | | | | | |
| Number of returns | 7,527,249 | 8,072,896 | 8,540,900 | 9,091,081 | 9,135,508 | 0.5 |
| Amount | 3,044,107 | 3,382,008 | 3,992,779 | 4,706,025 | 4,693,695 | -0.3 |
| Tuition and fees deduction | | | | | | |
| Number of returns | 4,710,253 | 4,696,013 | 4,015,828 | 4,543,382 | 4,576,654 | 0.7 |
| Amount | 7,328,221 | 7,260,368 | 6,239,050 | 6,670,215 | 6,679,862 | 0.1 |
| Domestic production activities deduction | | | | | | |
| Number of returns | N/A | 336,959 | 421,128 | 478,999 | 501,755 | 4.8 |
| Amount | N/A | 1,580,310 | 2,142,102 | 4,275,210 | 4,256,950 | -0.4 |
| Archer MSA deduction | | | | | | |
| Number of returns | 32,334 | 18,808 | 18,668 | 10,972 | 8,921 | -18.7 |
| Amount | 46,091 | 27,671 | 22,767 | 13,712 | 10,198 | -25.6 |
| Foreign housing deductions | | | | | | |
| Number of returns | 3,352 | 2,417 | 3,942 | 5,238 | 6,862 | 31.0 |
| Amount | 41,453 | 47,498 | 54,236 | 61,798 | 78,800 | 27.5 |
| Other adjustments | | | | | | |
| Number of returns | 188,210 | 257,014 | 137,296 | 139,569 | 151,165 | 8.3 |
| Amount | 766,358 | 938,629 | 696,490 | 816,577 | 1,041,376 | 27.5 |
| Total statutory adjustments | | | | | | |
| Number of returns | 32,153,965 | 33,591,124 | 33,980,524 | 36,050,434 | 35,773,805 | -0.8 |
| Amount | 67,852,373 | 73,223,927 | 73,829,674 | 77,566,325 | 73,830,833 | -4.8 |
| Adjusted gross income or loss (AGI) | | | | | | |
| Amount | 4,698,135,038 | 4,968,203,255 | 5,208,069,355 | 5,477,754,583 | 5,016,915,707 | -8.4 |
| Total itemized deductions | | | | | | |
| Number of returns | 46,335,237 | 47,755,427 | 49,123,555 | 50,544,470 | 48,167,223 | -4.7 |
| Amount | 690,822,462 | 750,877,467 | 797,170,744 | 840,502,233 | 802,839,332 | -4.5 |
| Total standard deduction | | | | | | |
| Number of returns | 84,016,753 | 84,841,222 | 86,583,732 | 90,510,904 | 91,780,792 | 1.4 |
| Amount | 388,188,663 | 388,720,021 | 393,945,646 | 412,472,671 | 422,275,429 | 2.4 |

Footnotes at end of table.

Table A. Selected Income and Tax Items, Tax Years 2004-2008, in Current and Constant 1990 Dollars—Continued

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

| Item [1] | Constant 1990 dollars [5] | | | | | Percent change, 2007 to 2008 |
|---|---------------------------|---------------|---------------|---------------|---------------|---------------------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | |
| | (7) | (8) | (9) | (10) | (11) | (12) |
| Basic standard deduction | | | | | | |
| Number of returns | 84,016,753 | 84,841,222 | 86,583,732 | 90,510,904 | 91,780,792 | 1.4 |
| Amount | 377,219,528 | 377,634,574 | 382,936,292 | 400,898,445 | 402,800,308 | 0.5 |
| Additional standard deduction | | | | | | |
| Number of returns | 10,985,079 | 10,996,440 | 11,261,327 | 11,703,100 | 12,523,644 | 7.0 |
| Amount | 10,969,136 | 11,085,447 | 11,009,353 | 11,574,226 | 12,107,612 | 4.6 |
| AGI less deductions | | | | | | |
| Number of returns | 116,042,570 | 118,115,885 | 120,676,830 | 125,121,755 | 123,533,612 | -1.3 |
| Amount | 3,709,864,246 | 3,921,698,088 | 4,112,001,540 | 4,332,313,802 | 3,937,865,874 | -9.1 |
| Number of exemptions | 263,896,304 | 269,043,070 | 275,256,944 | 282,613,371 | 282,928,837 | 0.1 |
| Exemption amount | 554,110,756 | 562,184,863 | 578,412,198 | 594,685,607 | 595,614,436 | 0.2 |
| Taxable income | | | | | | |
| Number of returns | 102,737,959 | 104,330,653 | 106,667,402 | 110,533,209 | 107,994,637 | -2.3 |
| Amount | 3,231,948,538 | 3,438,531,375 | 3,618,122,855 | 3,822,991,105 | 3,432,255,904 | -10.2 |
| Tax from table, rate schedules, etc. | | | | | | |
| Number of returns | 102,721,593 | 104,321,332 | 106,658,774 | 110,522,670 | 107,149,531 | -3.1 |
| Amount | 602,925,850 | 651,075,606 | 688,227,973 | 728,508,980 | 656,503,725 | -9.9 |
| Additional taxes | | | | | | |
| Number of returns | 9,884 | 10,595 | 12,787 | 13,249 | 13,735 | 3.7 |
| Amount | 59,246 | 15,890 | 28,048 | 8,716 | 13,275 | 52.3 |
| Alternative minimum tax | | | | | | |
| Number of returns | 3,096,299 | 4,004,756 | 3,966,540 | 4,108,964 | 3,935,248 | -4.2 |
| Amount | 9,016,774 | 11,660,690 | 13,984,816 | 15,201,458 | 15,573,214 | 2.4 |
| Income tax before credits | | | | | | |
| Number of returns | 102,740,921 | 104,345,964 | 106,688,255 | 110,547,299 | 107,201,197 | -3.0 |
| Amount | 612,001,871 | 662,752,186 | 702,240,837 | 743,719,154 | 672,090,214 | -9.6 |
| Child care credit | | | | | | |
| Number of returns | 6,316,649 | 6,500,596 | 6,466,792 | 6,491,844 | 6,587,103 | 1.5 |
| Amount | 2,310,024 | 2,317,339 | 2,261,113 | 2,196,187 | 2,141,285 | -2.5 |
| Credit for elderly or disabled | | | | | | |
| Number of returns | 107,914 | 101,627 | 98,261 | 89,767 | 75,488 | -15.9 |
| Amount | 12,969 | 9,456 | 9,449 | 7,862 | 6,114 | -22.2 |
| Education credits | | | | | | |
| Number of returns | 7,180,884 | 7,057,251 | 7,725,138 | 7,435,044 | 7,740,979 | 4.1 |
| Amount | 4,163,879 | 4,096,139 | 4,554,099 | 4,357,132 | 4,634,240 | 6.4 |
| Residential energy credit | | | | | | |
| Number of returns | N/A | N/A | 4,344,189 | 4,326,398 | 225,733 | -94.8 |
| Amount | N/A | N/A | 648,605 | 635,294 | 131,565 | -79.3 |
| Foreign tax credit | | | | | | |
| Number of returns | 4,700,259 | 5,398,046 | 6,418,317 | 7,642,644 | 6,708,279 | -12.2 |
| Amount | 4,676,812 | 6,266,392 | 7,106,660 | 9,732,154 | 10,062,126 | 3.4 |
| Child tax credit | | | | | | |
| Number of returns | 25,988,711 | 25,950,568 | 25,741,511 | 25,889,333 | 25,173,769 | -2.8 |
| Amount | 22,353,256 | 21,450,884 | 20,584,663 | 19,896,773 | 18,541,371 | -6.8 |
| Retirement savings contributions credit | | | | | | |
| Number of returns | 5,288,732 | 5,293,605 | 5,192,133 | 5,862,206 | 5,961,299 | 1.7 |
| Amount | 700,004 | 632,216 | 579,739 | 615,918 | 593,434 | -3.7 |
| Adoption credit | | | | | | |
| Number of returns | 71,136 | 84,793 | 93,369 | 94,128 | 88,628 | -5.8 |
| Amount | 208,920 | 213,894 | 227,746 | 249,709 | 214,628 | -14.0 |
| General business credit | | | | | | |
| Number of returns | 248,506 | 251,386 | 386,681 | 230,821 | 303,756 | 31.6 |
| Amount | 439,717 | 587,584 | 844,659 | 533,127 | 1,001,384 | 87.8 |
| Prior year minimum tax credit | | | | | | |
| Number of returns | 274,596 | 290,376 | 359,098 | 395,359 | 415,592 | 5.1 |
| Amount | 624,221 | 723,730 | 669,421 | 652,380 | 573,908 | -12.0 |
| Total credits [3] | | | | | | |
| Number of returns | 39,841,978 | 40,526,374 | 44,397,533 | 46,084,671 | 42,392,934 | -8.0 |
| Amount | 35,708,890 | 36,526,841 | 37,705,453 | 39,489,764 | 38,024,541 | -3.7 |
| Income tax less credits [1] | | | | | | |
| Number of returns | 90,876,672 | 92,343,186 | 94,509,890 | 98,369,138 | 95,188,516 | -3.2 |
| Amount | 576,292,981 | 626,225,345 | 664,535,383 | 704,229,390 | 634,065,673 | -10.0 |
| Self-employment tax | | | | | | |
| Number of returns | 15,920,203 | 16,694,655 | 17,074,708 | 17,840,382 | 17,411,224 | -2.4 |
| Amount | 29,211,583 | 30,427,997 | 31,026,099 | 31,217,567 | 29,486,484 | -5.5 |
| Recapture taxes | | | | | | |
| Number of returns | 41,161 | 15,206 | 12,536 | 17,924 | 18,909 | 5.5 |
| Amount | 119,808 | 200,262 | 208,034 | 260,870 | 226,435 | -13.2 |
| Social security, Medicare tax on tip income not reported | | | | | | |
| Number of returns | 517,609 | 335,818 | 355,457 | 194,630 | 178,990 | -8.0 |
| Amount | 74,691 | 53,025 | 47,412 | 19,124 | 16,226 | -15.2 |

Footnotes at end of table.

Table A. Selected Income and Tax Items, Tax Years 2004-2008, in Current and Constant 1990 Dollars—Continued

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

| Item [1] | Constant 1990 dollars [5] | | | | | Percent change, 2007 to 2008 |
|--|---------------------------|-------------|-------------|-------------|-------------|---------------------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | |
| | (7) | (8) | (9) | (10) | (11) | (12) |
| Tax on qualified retirement plans | | | | | | |
| Number of returns | 4,924,584 | 4,822,297 | 5,148,030 | 5,550,175 | 5,734,262 | 3.3 |
| Amount | 2,519,290 | 2,556,996 | 2,819,533 | 3,155,452 | 3,201,660 | 1.5 |
| Advanced earned income credit payments | | | | | | |
| Number of returns | 142,639 | 122,078 | 129,124 | 138,647 | 140,253 | 1.2 |
| Amount | 43,156 | 38,934 | 40,304 | 43,718 | 47,509 | 8.7 |
| Household employment taxes | | | | | | |
| Number of returns | 243,702 | 228,381 | 225,441 | 222,146 | 218,804 | -1.5 |
| Amount | 613,033 | 627,080 | 595,022 | 576,330 | 586,702 | 1.8 |
| Total tax liability [1,4] | | | | | | |
| Number of returns | 98,115,557 | 99,880,223 | 102,363,945 | 106,650,214 | 103,776,175 | -2.7 |
| Amount | 608,970,664 | 660,281,655 | 699,482,127 | 739,763,533 | 667,905,122 | -9.7 |
| Income tax withheld | | | | | | |
| Number of returns | 116,312,978 | 118,161,380 | 120,500,889 | 125,583,890 | 124,388,369 | -1.0 |
| Amount | 506,390,562 | 523,868,537 | 546,754,202 | 575,386,706 | 565,947,812 | -1.6 |
| Estimated tax payments | | | | | | |
| Number of returns | 10,996,504 | 11,053,213 | 11,128,072 | 11,523,634 | 11,153,666 | -3.2 |
| Amount | 130,636,925 | 147,926,054 | 164,071,733 | 179,142,279 | 173,606,832 | -3.1 |
| Earned income credit [1] | | | | | | |
| Number of returns | 22,270,550 | 22,751,904 | 23,042,200 | 24,583,940 | 24,756,744 | 0.7 |
| Amount | 27,698,321 | 28,387,075 | 28,785,711 | 30,605,293 | 30,764,580 | 0.5 |
| Nontaxable combat pay election | | | | | | |
| Number of returns | 10,024 | 21,973 | 8,323 | 6,642 | 10,590 | 59.4 |
| Amount | 6,424 | 219,724 | 59,012 | 69,136 | 84,855 | 22.7 |
| Additional child tax credit | | | | | | |
| Number of returns | 14,528,434 | 15,219,712 | 15,590,592 | 15,884,285 | 18,160,498 | 14.3 |
| Amount | 10,000,013 | 10,371,593 | 10,537,542 | 10,523,467 | 12,402,421 | 17.9 |
| Payment with an extension request | | | | | | |
| Number of returns | 1,518,779 | 1,627,572 | 1,758,125 | 1,773,576 | 1,486,081 | -16.2 |
| Amount | 41,016,060 | 52,097,622 | 56,116,030 | 60,635,542 | 39,553,468 | -34.8 |
| Excess social security tax withheld | | | | | | |
| Number of returns | 1,242,604 | 1,383,240 | 1,443,437 | 1,544,389 | 1,464,021 | -5.2 |
| Amount | 1,195,599 | 1,354,293 | 1,484,311 | 1,588,325 | 1,498,902 | -5.6 |
| Other payments: | | | | | | |
| Form 2439 | | | | | | |
| Number of returns | 9,608 | 19,812 | 84,547 | 39,521 | 90,333 | 128.6 |
| Amount | 23,359 | 35,459 | 33,851 | 75,636 | 88,094 | 16.5 |
| Form 4136 | | | | | | |
| Number of returns | 345,020 | 340,769 | 318,754 | 305,765 | 317,783 | 3.9 |
| Amount | 59,777 | 68,080 | 55,710 | 56,084 | 57,843 | 3.1 |
| Form 8885 | | | | | | |
| Number of returns | 16,314 | 13,380 | 22,397 | 22,550 | 8,749 | -61.2 |
| Amount | 16,329 | 18,124 | 17,877 | 24,806 | 13,988 | -43.6 |
| Refundable prior year minimum tax credit | | | | | | |
| Number of returns | N/A | N/A | N/A | 151,643 | 288,093 | 90.0 |
| Amount | N/A | N/A | N/A | 320,349 | 1,522,809 | 375.4 |
| First-time homebuyer credit | | | | | | |
| Number of returns | N/A | N/A | N/A | N/A | 1,203,566 | [7] |
| Amount | N/A | N/A | N/A | N/A | 5,083,821 | [7] |
| Total payments [1] | | | | | | |
| Number of returns | 124,989,700 | 126,781,067 | 134,948,299 | 135,128,289 | 135,007,847 | -0.1 |
| Amount | 717,036,929 | 764,126,839 | 810,557,398 | 858,419,976 | 837,719,772 | -2.4 |
| Overpayment, total | | | | | | |
| Number of returns | 103,706,648 | 104,778,359 | 109,915,823 | 110,611,578 | 114,698,578 | 3.7 |
| Amount | 176,515,460 | 182,135,245 | 191,826,845 | 199,826,388 | 229,957,140 | 15.1 |
| Overpayment refunded | | | | | | |
| Number of returns | 100,674,244 | 101,870,385 | 107,001,071 | 107,687,030 | 111,683,923 | 3.7 |
| Amount | 153,198,252 | 155,940,841 | 162,737,607 | 168,898,103 | 196,794,860 | 16.5 |
| Refund credited to next year | | | | | | |
| Number of returns | 4,314,593 | 4,055,960 | 3,978,421 | 4,061,974 | 4,861,285 | 19.7 |
| Amount | 23,317,208 | 26,194,408 | 29,089,239 | 30,928,286 | 33,162,281 | 7.2 |
| Tax due at time of filing | | | | | | |
| Number of returns | 24,452,350 | 25,659,937 | 26,694,105 | 28,599,646 | 22,714,746 | -20.6 |
| Amount | 68,985,314 | 79,138,083 | 81,900,058 | 82,350,465 | 60,885,019 | -26.1 |
| Tax penalty | | | | | | |
| Number of returns | 5,641,853 | 5,882,477 | 6,496,924 | 7,549,807 | 6,355,582 | -15.8 |
| Amount | 536,122 | 848,021 | 1,148,484 | 1,180,518 | 742,528 | -37.1 |

[1] All items correspond to the Form 1040 line items. Therefore, some may differ from the SOI items shown in the Basic Tables in Section 3. N/A = Not applicable.

[2] Line 21 on Form 1040 consists of other income minus foreign earned income exclusion and net operating loss.

[7] Percentage not computed.

[3] Total credits includes the values for mortgage interest tax credit and "other credits" not tabulated here.

* Includes Form 1040 Telefile.

[4] Total tax liability includes the values for "other taxes" not tabulated here.

** Includes 742,859 Form 1040EZ-T retu

[5] Inflation-adjusted data were calculated using the consumer price index from the Bureau of Labor Statistics; based on 1990=100 when 1990 CPI-U = 130.7; 2008 CPI-U = 215.3; 2007 CPI-U = 207.3; 2006 CPI-U = 201.6; 2005 CPI-U = 195.3; 2004 CPI-U = 188.9

[6] Less than 0.05.

*** The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

| Figure 1--General Filing Requirements | | | |
|--|---|---|----------------------|
| Marital Status | Filing Status | Age | Gross Income |
| Single (including divorced and legally separated) | Single | under 65 65 or older | \$8,950 \$10,300 |
| | Head of household | under 65 65 or older | \$11,500 \$12,850 |
| Married with a child and living apart from spouse during the last six months of 2008 | Head of household | under 65 65 or older | \$11,500 \$12,850 |
| Married and living with spouse at the end of 2008 (or on the date spouse died) | Married, joint return | under 65 (both spouses) 65 or older (one spouse) | \$17,900 \$18,950 |
| | | 65 or older (both spouses) | \$20,000 |
| | Married, separate return | any age | \$3,500 |
| Married, not living with spouse at the end of 2008 (or on the date spouse died) | Married, joint or separate return | any age | \$3,500 |
| Widowed in 2006 or 2007 and not remarried in 2008 | Single | under 65 65 or older | \$8,950 \$10,300 |
| | Head of household | under 65 65 or older | \$11,500 \$12,850 |
| | Qualifying widow(er) with dependent child | under 65 65 or older | \$14,400 \$15,450 |

are based. Section 3 contains tables of detailed aggregate statistics on individual tax returns. Section 4 provides explanations of the terms used in the tables. The tax forms appear in Section 5, and Section 6 contains a subject index.

Requirements for Filing

The filing requirements for Tax Year 2008 were based on gross income, marital status, age, and, to a lesser extent, dependency and blindness. Gross income included all income received in the form of money, property, and services that was not expressly exempt from tax. Generally, a citizen or resident of the United States was required to file a tax return if gross income for the year was at least as much as the amount shown for the appropriate filing status in Figure 1. Figure 2 shows the filing requirements for taxpayers who could be claimed as a dependent by another person (such as a

parent).

In addition to the general filing requirements, an individual was obligated to file a return for Tax Year 2008 if he or she:

1. Was liable for any of the following taxes:
 - Social security or Medicare tax on unreported tip income;
 - Uncollected social security, Medicare, or railroad retirement tax on reported tip income or group-term life insurance;
 - Alternative minimum tax;
 - Tax on an individual retirement arrangement (IRA) or a qualified retirement plan;
 - Tax from the recapture of various credits, including investment credits or low-income housing credits;
 - Household employment taxes (unless only filing because taxpayer owed this tax, then taxpayer could have filed only schedule H);

Figure 2.-Filing Requirements for Children and Other Dependents

If someone (such as a parent) can claim the individual as a dependent, and any of the four conditions listed below applies, he or she must file a return.

In this chart unearned income includes taxable interest, ordinary dividends, and capital gain distributions. Earned income includes wages, tips, and taxable scholarship and fellowship grants. Gross income is the total of unearned and earned income.

1. Single dependents under 65 must file a return if-

- Earned income was more than \$5,450, or
- Unearned income was over \$900, or
- Gross income was more than the larger of (a) \$900 or (b) earned income (up to \$5,150) plus \$300.

2. Single dependents 65 or older or blind must file a return if-

- Earned income was more than \$6,800 (\$8,150 if 65 or older and blind), or
- Unearned income was more than \$2,250 (\$3,600 if 65 or older and blind), or
- Gross income was more than \$2,250 (\$3,600 if 65 or older and blind), or the total of earned income (up to \$5,150) plus \$1,650 (\$3,000 if 65 or older and blind), whichever is larger.

3. Married dependents under 65 must file a return if-

- Gross income was at least \$5 and spouse files a separate return and itemizes deductions.
- Earned income was more than \$5,450, or
- Unearned income was over \$900, or
- Gross income was more than the larger of \$900 or earned income (up to \$5,150) plus \$300.

4. Married dependents 65 or older or blind must file a return if-

- Earned income was more than \$6,500 (\$7,550 if 65 or older and blind), or
- Unearned income was more than \$1,950 (\$3,000 if 65 or older and blind), or
- Gross income was more than \$1,950 (\$3,000 if 65 or older and blind), or the total of earned income (up to \$5,150) plus \$1,350 (\$2,400 if 65 or older and blind), whichever is larger.
- Gross income was at least \$5 and spouse files a separate return and itemizes deductions.

2. Received any advanced earned income credit (AEIC) payments.
3. Had net earnings from self-employment of at least \$400; or
4. Had wages of \$108.28 or more from a church or qualified church-controlled organization that was exempt from employer social security and Medicare taxes.

Data shown in this report include individuals who were not required to file tax returns, but did so for any of a number of reasons. For example, an individual might have filed a return to obtain a refund of tax withheld, or take advantage of the earned income credit.

Changes in Law or Administrative Procedures

Major changes in effect for Tax Year 2008 that influenced the Statistics of Income data are listed below. Section 4, Explanation of Terms, provides more detailed explanations and definitions of the terms used in this report.

Additional Child Tax Credits

Modifications were made to the additional child tax credit for 2008. In Tax Year 2007, the credit limit based on earned income was 15 percent of a taxpayer's earned income that exceeded \$11,750. For 2008, the limit was 15 percent of a taxpayer's earned income that exceeded \$8,500.

Alternative Minimum Tax

For Tax Year 2008, the alternative minimum tax exemption rose to \$69,950 for a married couple filing a joint return, up from \$66,250 in 2007, and to \$46,200 for singles and heads of household, up from \$44,350, and to \$34,975 from \$33,125 for a married person filing separately.

Earned Income Credit

The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends and capital gain income) a taxpayer could have and still claim the credit increased to \$2,950 from \$2,900. The maximum credit for taxpayers with no qualifying children increased to \$438 from \$428. For these taxpayers, earned income and AGI had to be less than \$12,880 (\$15,880 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased \$64 to \$2,917 and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,824 from \$4,716. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$33,995 (\$36,995 for married filing jointly) for one qualifying child, or less than \$38,646 (\$41,646 for married filing jointly) for two or more qualifying children.

Exemption Amount

Indexing for inflation increased to \$3,500 the deduction for each exemption to which the taxpayer was entitled for 2008, an increase from the \$3,400 allowed for 2007. The AGI threshold for the limitation of exemption amounts was also indexed for inflation, increasing from \$156,400 to \$159,950 for single filers; \$234,600 to \$239,950 for married persons filing jointly and surviving spouses; \$195,500 to \$199,950 for heads of household; and \$117,300 to \$119,975 for married persons filing separately. The phase-out of the deduction for exemptions was completed at AGI levels above \$282,450 for single filers; \$362,450 for married persons filing jointly and surviving spouses; \$322,450 for heads of household; and \$181,225 for married persons filing separately. For 2008, a taxpayer could lose no more than 1/3 of the dollar amount of their exemption, so the amount of each exemption could not be reduced to less than \$2,333. For 2007 and 2006, a taxpayer could lose no more than 2/3 of the dollar amount of their exemption. For 2005 and previous years, exemption amounts could be limited to zero.

First Time Homebuyer Credit

New for tax year 2008, a taxpayer may have claimed this credit if they bought a home after April 8, 2008, and before December 1, 2009, and did not own a main home during the prior 3 years. Taxpayers were allowed to claim this credit in tax year 2008 or 2009 and if their modified adjusted gross income was below \$95,000 (\$170,000 if married filing jointly). For homes purchased in 2008, the credit operates much like an interest-free loan. Taxpayers generally had to repay the credit over a 15-year period. For homes purchased in 2009, taxpayers had to repay the credit only if the home ceases to be their main home within a 36-month period beginning on the purchase date.

General Business Credit

For 2008, part II of the general business credit was expanded to accommodate all of the general business credits that are allowed against alternative minimum tax.

Health Savings Account Deduction

The deduction was limited to the annual deductible on the qualifying high deductible health plan, but not more than \$2,900 (\$5,800 if family coverage), an increase from \$2,850 (\$5,650 if family coverage) in 2007. These limits were \$900 higher if the taxpayer was age 55 or older (\$1,800 if both spouses were 55 or older). For 2007, these limits were \$800 and \$1,600 respectively.

Heartland Disaster Tax Relief Act of 2008

Temporary tax relief was enacted as a result of severe storms, tornadoes, or flooding affecting Midwestern disaster areas after May 19, 2008 and before August 1, 2008. Major provisions provided by this relief act included:

- (1) Suspended limits for certain personal casualty losses and cash contributions;
- (2) An additional exemption amount if a taxpayer provided housing for a person displaced by the Midwestern disaster;
- (3) An election to use your 2007 earned income to figure your 2008 EIC and additional child tax credit.

Individual Retirement Arrangement Deduction

For 2008, a taxpayer (both taxpayers for taxpayers filing jointly), may have been able to take an IRA deduction up to \$5,000 (\$6,000 if age 50 or older). Taxpayers not covered by a retirement plan may have been able to deduct all contributions. For taxpayers covered by a retirement plan, the IRA deduction phased out between \$53,000 and \$63,000 of modified AGI for single filers (\$85,000 and \$105,000 for married filing jointly or qualifying widow(er)). This was up from \$52,000 and \$62,000 for single filers (\$83,000 and \$103,000 for married filing jointly or qualifying widow(er)) in 2007. If one spouse was an active participant in an employer plan but the other was not, the deduction for the IRA contribution of the spouse not covered by an employer plan phased out between modified AGI of \$159,000 and \$169,000, up from \$156,000 and

\$166,000 in 2007. A taxpayer may have been able to deduct an additional \$3,000 if they were a participant in a 401(k) plan and their employer was in bankruptcy in an earlier year.

Itemized Deductions

If a taxpayer's AGI was greater than \$159,950 (\$79,975 if married filing separately), his or her itemized deductions may have been limited; the threshold was increased from \$156,400 (\$78,200 if married filing separately) for 2007, as a result of inflation indexing. The limitation did not apply to deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses; all other deductions were subject to the limitation. To arrive at allowable itemized deductions, total itemized deductions were reduced by the smaller of: (a) 80 percent of the non-exempt deductions, or (b) 3 percent of the amount of AGI in excess of the limitation threshold. For tax year 2008, the amount by which the deduction was reduced was only 1/3 of the amount of the reduction that would have otherwise applied (for 2005 and previous years). For tax year 2007 and 2006, the amounts by which the deduction was reduced was only 2/3 of the amount of the reduction that would have otherwise applied.

Qualified Dividends and Net Capital Gain

For tax year 2008, the 5 percent tax rate on qualified dividends and net capital gain was reduced to zero.

Real Estate Tax and Net Disaster Loss Deduction

New for 2008, a taxpayer could increase their standard deduction by the amount they paid for certain state and local real estate taxes and their net disaster loss. A taxpayer could have increased their standard deduction by the state and local real estate taxes paid, up to \$500 (\$1,000 if married filing jointly). The real estate taxes must be taxes that would have been deductible on Schedule A if a taxpayer had itemized their deductions. A

taxpayer's net disaster loss was figured by taking their personal casualty losses from a federally declared disaster minus any personal casualty gains. A total of \$12.1 billion were deducted due to the addition of these two new provisions. Most of this (\$11.3 billion) was deducted by 15.7 million taxpayers for real estate taxes paid.

Recovery Rebate credit

A taxpayer was able to take this credit only if they had not received an economic stimulus payment in tax year 2007 or their economic stimulus payment was less than \$600 (\$1,200 if married filing jointly) plus \$300 for each qualifying child the taxpayer had for 2008. This credit was figured like the economic stimulus payment the previous year except the amounts are based on tax year 2008 instead of tax year 2007. The maximum credit was \$600 (\$1,200 if married filing jointly) plus \$300 for each qualifying child.

Residential Energy Credits

The credit for nonbusiness energy property expired and did not apply for 2008.

Self-employment Tax

The ceiling on taxable "self-employment income" was raised, for 2008, to \$102,000 for the social security portion (12.4 percent) of the self-employment tax. The limit was \$97,500 for 2007.

Standard Deduction

For married persons filing jointly or surviving spouses, the standard deduction was increased in 2008, from \$10,700 to \$10,900.

For single filers and married persons filing separately, the standard deduction rose from \$5,350 to \$5,450; and for heads of household, from \$7,850 to \$8,000. The amount of standard deduction for a dependent was the greater of \$900 or the dependent's earned income plus \$300 (but not more than the regular standard deduction amount). Taxpayers who were age 65 or over or blind could claim an additional standard deduction amount of \$1,050 or \$1,350 depending on marital status.

Tax on Child's Investment Income

New for 2008, Form 8615, in addition to being used to figure the tax of certain children who are under 18, was required to figure the tax for a child with investment income of more than \$1,800 if the child:

- (1) Was age 18 at the end of 2008 and did not have earned income that was more than half of the child's support, or
- (2) Was a full-time student over age 18 and under age 24 at the end of 2008 and did not have earned income that was more than half of the child's support.

The 1979 Income Concept: A Retrospective Income Definition

In order to analyze changes in income and taxes over a period of years, a consistent definition of income must be used. The income concept available from Federal income tax returns, AGI, was designed to facilitate tax administration, and its definition has changed over time to reflect modifications to the Internal Revenue Code. Tax laws of the 1980's (the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Tax Reform Act of 1986) made significant changes to the components of AGI, which made it more difficult to use AGI for accurate comparisons of income from year to year. For this reason, it was decided to develop an income definition that would be consistent over several years, and would allow comparisons both before and after the major tax legislation of the 1980's.

The result was a retrospective income definition known as the 1979 Income Concept, reflecting a base period from 1979 through 1986. It was calculated using only data available from Individual income tax returns. By using the same income items in the calculation each year, its definition was consistent throughout the base years. In addition, this retrospective income definition could be used in future years to compare income by continuing to include the same components that were common to all years. The calculation of the 1979 Income Concept is shown in Figure 3.

Figure 3.-Calculation of the 1979 Income Concept for 2008

1979 Total Income Concept=

Income or Loss:

- Salaries and wages [1]
- Interest [1]
- Dividends [1]
- Taxable refunds [1]
- Alimony received [1]
- Sales of capital assets, net gain or loss [1]
- Other gains and losses (Form 4797) [1]
- Business net income or loss [1]
- Farm net income or loss [1]
- Rent net income or loss [1]
- Royalty net income or loss [1]
- Partnership net income or loss [1]
- S Corporation net income or loss [1]
- Farm rental net income or loss [1]
- Estate or trust net income or loss [1]
- Unemployment compensation [1]
- Depreciation in excess of straight-line depreciation [2]
- Total pension income [3,5]
- Other net income or loss [4]
- Net operating loss [1]

Deductions:

- Disallowed passive losses (Form 8582) [6]
- Moving expenses [1]
- Alimony paid [1]
- Unreimbursed business expenses [6]

[1] Included in adjusted gross income (less deficit) (AGI) for Tax Year 2008.

[2] Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.

[3] Includes taxable and tax-exempt pension and retirement distributions, including IRA distributions.

[4] Includes an adjustment to add back amounts reported for the foreign-earned income exclusion.

[5] Not fully included in AGI for Tax Year 2008.

[6] Not included in AGI for Tax Year 2008.

Several items partially excluded from AGI for the base years were fully included in this new income measure, the largest of which was capital gains. The full amount of all capital gains, as well as all dividends and unemployment compensation, was included in the income calculation. Total pensions, annuities, IRA distributions, and roll-overs were added, including the non-taxable portions that were excluded from AGI. Social security benefits were omitted because they were not reported on tax returns until 1984. Also, any depreciation in excess of straight-line depreciation, which was subtracted in computing AGI, was added back.

Deductions that could be subtracted in the calculation of the 1979 Income Concept were limited to employee business expenses, alimony paid, and moving expenses. These same items were also subtracted in computing AGI until 1987 when unreimbursed business expenses and moving expenses were changed from adjustments to itemized deductions. Starting in 1994, moving expenses were once more made an adjustment to income. The amounts reported for employee business expenses by taxpayers who itemized deductions were subtracted in the calculation of the 1979 Income Concept. Taxpayers who did not itemize deductions, however, could not claim this expense (as well as moving expenses prior to 1994). For this reason, the deduction for these two expenses beginning in 1987 is not completely comparable to that for previous years.

Comparison of AGI with 1979 Income Concept

The Tax Reform Act of 1986 (TRA 86) made extensive changes to the calculation of AGI beginning with 1987. These changes made necessary a revision of the calculation of the 1979 Income Concept, in order to make tax years beginning with 1987 comparable to the base years, 1979 through 1986. The law changes limited the deduction of passive losses and eliminated unreimbursed employee business expenses and moving expenses as “adjustments” (moving expenses changed back for 1994) in figuring AGI beginning with Tax Year 1987. Since passive losses had been fully deductible for both income

Table B. All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 2008

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

| Size of income | Income | | | | Salaries and wages | | | |
|--------------------------------|----------------------------|------------------|---------------------|------------------|-----------------------------|------------------|---------------------|------------------|
| | 2008 Adjusted Gross Income | | 1979 Income Concept | | 2008 Adjusted Gross Income | | 1979 Income Concept | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| All returns, total | 142,450,569 | 8,262,860 | 142,450,569 | 8,482,238 | 119,578,500 | 5,950,635 | 119,578,500 | 5,950,635 |
| Under \$10,000 | 26,268,333 | -42,352 | 25,412,555 | -57,207 | 18,751,226 | 122,516 | 18,405,200 | 116,715 |
| \$10,000 under \$20,000 | 22,778,058 | 339,856 | 23,119,865 | 345,701 | 18,007,041 | 254,845 | 18,230,049 | 259,075 |
| \$20,000 under \$30,000 | 18,609,828 | 461,556 | 19,563,537 | 485,128 | 16,116,657 | 378,495 | 16,576,700 | 391,481 |
| \$30,000 under \$40,000 | 14,554,280 | 506,107 | 15,211,592 | 528,477 | 12,919,079 | 420,338 | 13,178,855 | 432,351 |
| \$40,000 under \$50,000 | 11,087,123 | 496,891 | 11,293,119 | 505,785 | 9,823,938 | 406,847 | 9,948,687 | 412,601 |
| \$50,000 under \$60,000 | 8,811,047 | 482,690 | 8,570,131 | 469,554 | 7,753,729 | 384,617 | 7,616,849 | 383,874 |
| \$60,000 under \$70,000 | 7,241,185 | 469,582 | 6,915,660 | 447,973 | 6,437,186 | 371,866 | 6,238,067 | 367,823 |
| \$70,000 under \$80,000 | 6,035,391 | 451,667 | 5,665,970 | 423,933 | 5,391,081 | 353,238 | 5,153,302 | 346,452 |
| \$80,000 under \$90,000 | 4,812,938 | 408,032 | 4,481,037 | 380,168 | 4,307,932 | 318,652 | 4,094,811 | 309,431 |
| \$90,000 under \$100,000 | 4,025,385 | 381,720 | 3,722,865 | 353,033 | 3,642,945 | 301,245 | 3,433,240 | 289,081 |
| \$100,000 under \$125,000 | 6,680,719 | 742,674 | 6,295,548 | 700,612 | 6,065,915 | 589,403 | 5,819,404 | 569,027 |
| \$125,000 under \$150,000 | 3,610,820 | 492,859 | 3,627,212 | 494,626 | 3,291,974 | 383,624 | 3,319,870 | 385,207 |
| \$150,000 under \$175,000 | 2,178,986 | 352,130 | 2,161,218 | 348,833 | 1,984,998 | 268,384 | 1,966,125 | 262,083 |
| \$175,000 under \$200,000 | 1,380,816 | 257,440 | 1,393,138 | 259,683 | 1,243,341 | 190,559 | 1,260,101 | 183,888 |
| \$200,000 under \$300,000 | 2,314,988 | 554,659 | 2,524,065 | 605,630 | 2,074,502 | 389,512 | 2,237,277 | 390,512 |
| \$300,000 under \$400,000 | 773,215 | 265,648 | 924,312 | 318,006 | 677,162 | 170,087 | 790,474 | 176,952 |
| \$400,000 under \$500,000 | 388,545 | 173,120 | 468,872 | 208,856 | 338,206 | 106,456 | 400,744 | 109,999 |
| \$500,000 under \$1,000,000 | 577,618 | 392,535 | 725,634 | 492,349 | 487,403 | 209,789 | 605,407 | 225,061 |
| \$1,000,000 under \$1,500,000 | 140,635 | 169,852 | 171,236 | 207,075 | 116,152 | 75,983 | 138,625 | 79,283 |
| \$1,500,000 under \$2,000,000 | 59,460 | 102,398 | 68,897 | 118,567 | 48,331 | 41,063 | 55,858 | 43,159 |
| \$2,000,000 under \$5,000,000 | 86,329 | 257,484 | 97,941 | 290,300 | 70,890 | 92,937 | 79,298 | 95,721 |
| \$5,000,000 under \$10,000,000 | 21,390 | 146,343 | 22,520 | 153,057 | 17,684 | 45,160 | 18,281 | 45,695 |
| \$10,000,000 and over | 13,480 | 399,969 | 13,646 | 402,099 | 11,129 | 75,020 | 11,278 | 75,163 |
| Size of income | Taxable interest received | | | | Ordinary dividends received | | | |
| | 2008 Adjusted Gross Income | | 1979 Income Concept | | 2008 Adjusted Gross Income | | 1979 Income Concept | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
| All returns, total | 62,449,609 | 223,291 | 62,449,609 | 223,291 | 31,043,113 | 219,331 | 31,043,113 | 219,331 |
| Under \$10,000 | 6,974,214 | 16,265 | 6,574,078 | 17,096 | 3,407,860 | 8,828 | 3,213,852 | 9,318 |
| \$10,000 under \$20,000 | 5,714,149 | 9,458 | 5,707,252 | 9,524 | 2,388,222 | 4,859 | 2,385,093 | 5,006 |
| \$20,000 under \$30,000 | 5,250,379 | 8,918 | 5,799,216 | 11,228 | 2,082,704 | 4,810 | 2,353,251 | 6,037 |
| \$30,000 under \$40,000 | 5,110,827 | 8,547 | 5,589,684 | 10,619 | 2,072,575 | 4,659 | 2,403,278 | 6,556 |
| \$40,000 under \$50,000 | 4,897,510 | 8,515 | 5,111,928 | 10,274 | 2,082,968 | 5,287 | 2,236,684 | 6,380 |
| \$50,000 under \$60,000 | 4,673,874 | 8,798 | 4,599,274 | 9,019 | 2,039,124 | 5,820 | 2,020,899 | 6,637 |
| \$60,000 under \$70,000 | 4,302,126 | 9,033 | 4,081,440 | 8,226 | 1,980,342 | 6,355 | 1,811,988 | 6,336 |
| \$70,000 under \$80,000 | 3,902,648 | 9,019 | 3,611,166 | 7,335 | 1,872,723 | 6,385 | 1,683,376 | 5,844 |
| \$80,000 under \$90,000 | 3,310,860 | 7,282 | 3,027,076 | 6,250 | 1,625,800 | 6,219 | 1,460,108 | 4,868 |
| \$90,000 under \$100,000 | 2,890,701 | 6,860 | 2,651,604 | 5,442 | 1,452,112 | 5,292 | 1,274,939 | 4,748 |
| \$100,000 under \$125,000 | 5,213,129 | 13,231 | 4,890,887 | 11,755 | 2,878,595 | 12,136 | 2,657,025 | 10,796 |
| \$125,000 under \$150,000 | 2,980,067 | 8,944 | 2,991,285 | 8,706 | 1,801,541 | 9,773 | 1,773,855 | 8,743 |
| \$150,000 under \$175,000 | 1,891,459 | 7,533 | 1,875,812 | 6,743 | 1,214,887 | 7,462 | 1,203,629 | 6,641 |
| \$175,000 under \$200,000 | 1,227,246 | 6,020 | 1,236,682 | 5,392 | 846,592 | 6,358 | 840,799 | 6,076 |
| \$200,000 under \$300,000 | 2,122,935 | 14,420 | 2,303,655 | 14,418 | 1,589,821 | 16,347 | 1,697,982 | 15,941 |
| \$300,000 under \$400,000 | 735,217 | 7,940 | 878,489 | 8,167 | 595,523 | 9,446 | 699,327 | 9,361 |
| \$400,000 under \$500,000 | 371,904 | 5,199 | 447,738 | 5,469 | 319,135 | 6,994 | 372,941 | 7,130 |
| \$500,000 under \$1,000,000 | 562,214 | 14,443 | 703,607 | 14,972 | 497,886 | 18,282 | 617,409 | 18,760 |
| \$1,000,000 under \$1,500,000 | 138,920 | 6,842 | 168,680 | 7,104 | 125,726 | 8,735 | 149,047 | 8,945 |
| \$1,500,000 under \$2,000,000 | 58,812 | 4,498 | 67,873 | 4,424 | 54,489 | 5,807 | 63,181 | 5,781 |
| \$2,000,000 under \$5,000,000 | 85,695 | 11,831 | 96,170 | 11,764 | 80,782 | 16,282 | 89,760 | 16,524 |
| \$5,000,000 under \$10,000,000 | 21,283 | 6,982 | 22,408 | 6,744 | 20,540 | 10,253 | 21,373 | 10,172 |
| \$10,000,000 and over | 13,441 | 22,712 | 13,606 | 22,623 | 13,165 | 32,944 | 13,314 | 32,730 |

Footnotes at end of table

Table B. All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 2008—Continued

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

| Size of income | Business or profession net income less loss | | | | Sales of capital assets | | | |
|--------------------------------|---|----------------|---------------------|----------------|----------------------------|----------------|---------------------|----------------|
| | 2008 Adjusted Gross Income | | 1979 Income Concept | | 2008 Adjusted Gross Income | | 1979 Income Concept | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (17) | (18) | (19) | (20) | (21) | (22) | (23) | (24) |
| All returns, total | 22,111,687 | 264,234 | 22,111,687 | 264,234 | 23,731,075 | 469,273 | 23,731,075 | 469,273 |
| Under \$10,000 | 4,248,481 | -477 | 3,919,755 | -3,508 | 2,878,086 | 14,183 | 2,739,495 | 15,122 |
| \$10,000 under \$20,000 | 3,608,205 | 28,400 | 3,634,257 | 26,347 | 1,667,381 | 810 | 1,679,509 | 784 |
| \$20,000 under \$30,000 | 2,067,566 | 15,544 | 2,163,090 | 14,335 | 1,495,441 | 590 | 1,665,840 | 547 |
| \$30,000 under \$40,000 | 1,718,685 | 11,956 | 1,799,277 | 11,096 | 1,441,178 | 1,012 | 1,670,496 | 1,413 |
| \$40,000 under \$50,000 | 1,506,642 | 11,641 | 1,563,223 | 10,966 | 1,484,922 | 1,077 | 1,607,043 | 1,573 |
| \$50,000 under \$60,000 | 1,325,085 | 11,108 | 1,321,004 | 10,538 | 1,458,614 | 1,575 | 1,467,958 | 2,329 |
| \$60,000 under \$70,000 | 1,148,436 | 10,837 | 1,127,734 | 10,501 | 1,390,908 | 2,477 | 1,296,266 | 2,485 |
| \$70,000 under \$80,000 | 1,009,129 | 9,937 | 1,002,597 | 10,057 | 1,357,758 | 2,652 | 1,218,104 | 2,591 |
| \$80,000 under \$90,000 | 816,631 | 8,896 | 781,088 | 8,876 | 1,221,979 | 2,949 | 1,086,735 | 2,730 |
| \$90,000 under \$100,000 | 708,168 | 7,626 | 709,510 | 8,097 | 1,061,493 | 2,975 | 930,834 | 2,836 |
| \$100,000 under \$125,000 | 1,304,731 | 19,508 | 1,219,832 | 17,531 | 2,124,866 | 7,137 | 1,969,299 | 6,668 |
| \$125,000 under \$150,000 | 743,887 | 15,365 | 763,494 | 14,583 | 1,378,630 | 6,118 | 1,320,104 | 6,530 |
| \$150,000 under \$175,000 | 469,170 | 12,773 | 480,919 | 12,408 | 997,871 | 6,309 | 1,000,924 | 5,537 |
| \$175,000 under \$200,000 | 322,382 | 11,368 | 323,634 | 10,947 | 729,203 | 6,257 | 718,332 | 5,751 |
| \$200,000 under \$300,000 | 564,416 | 28,765 | 631,437 | 30,632 | 1,408,439 | 20,215 | 1,471,866 | 19,478 |
| \$300,000 under \$400,000 | 216,757 | 16,302 | 261,383 | 19,608 | 557,669 | 14,945 | 631,316 | 14,808 |
| \$400,000 under \$500,000 | 101,264 | 8,368 | 120,596 | 9,912 | 298,564 | 11,991 | 338,078 | 11,574 |
| \$500,000 under \$1,000,000 | 152,066 | 16,952 | 191,188 | 20,249 | 482,208 | 39,288 | 585,503 | 39,059 |
| \$1,000,000 under \$1,500,000 | 33,773 | 5,823 | 43,828 | 6,593 | 126,614 | 25,505 | 147,500 | 25,438 |
| \$1,500,000 under \$2,000,000 | 14,993 | 3,091 | 17,235 | 3,404 | 54,591 | 18,054 | 62,717 | 18,394 |
| \$2,000,000 under \$5,000,000 | 21,870 | 5,284 | 26,700 | 5,719 | 80,863 | 57,702 | 88,405 | 58,051 |
| \$5,000,000 under \$10,000,000 | 5,637 | 2,261 | 6,166 | 2,375 | 20,572 | 43,949 | 21,370 | 44,042 |
| \$10,000,000 and over | 3,712 | 2,906 | 3,739 | 2,969 | 13,225 | 181,502 | 13,383 | 181,532 |

| Size of income | Rents, royalties, and farm rental net income less loss | | | | Partnership and S corporation net income less loss | | | |
|--------------------------------|--|---------------|---------------------|---------------|--|----------------|---------------------|----------------|
| | 2008 Adjusted Gross Income | | 1979 Income Concept | | 2008 Adjusted Gross Income | | 1979 Income Concept | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (25) | (26) | (27) | (28) | (29) | (30) | (31) | (32) |
| All returns, total | 10,545,382 | 32,940 | 10,545,382 | 32,940 | 7,909,487 | 366,965 | 7,909,487 | 366,965 |
| Under \$10,000 | 1,129,604 | -8,619 | 1,097,751 | -9,348 | 782,441 | -93,221 | 767,928 | -93,874 |
| \$10,000 under \$20,000 | 897,186 | -671 | 902,436 | -537 | 418,185 | -302 | 411,092 | -791 |
| \$20,000 under \$30,000 | 862,872 | -725 | 961,179 | -248 | 437,300 | 1,142 | 440,272 | 976 |
| \$30,000 under \$40,000 | 813,385 | -858 | 879,033 | -672 | 421,589 | 1,188 | 436,275 | 937 |
| \$40,000 under \$50,000 | 777,821 | -1,398 | 829,645 | -870 | 377,380 | 817 | 424,055 | 1,337 |
| \$50,000 under \$60,000 | 759,635 | -928 | 720,113 | -454 | 426,931 | 2,969 | 416,616 | 2,615 |
| \$60,000 under \$70,000 | 690,615 | -662 | 655,581 | -583 | 414,299 | 2,969 | 423,801 | 2,585 |
| \$70,000 under \$80,000 | 641,666 | -541 | 615,689 | -12 | 380,289 | 3,660 | 350,704 | 3,307 |
| \$80,000 under \$90,000 | 565,173 | 497 | 524,522 | 319 | 333,553 | 3,593 | 348,766 | 4,225 |
| \$90,000 under \$100,000 | 497,085 | 259 | 453,751 | 197 | 320,871 | 3,757 | 286,770 | 3,248 |
| \$100,000 under \$125,000 | 936,199 | 1,308 | 849,894 | 864 | 680,689 | 10,939 | 625,793 | 9,307 |
| \$125,000 under \$150,000 | 579,530 | 2,595 | 543,435 | 2,875 | 481,763 | 10,966 | 478,940 | 9,744 |
| \$150,000 under \$175,000 | 283,514 | 3,259 | 289,662 | 2,728 | 372,977 | 9,976 | 353,429 | 10,039 |
| \$175,000 under \$200,000 | 185,467 | 2,561 | 187,967 | 2,113 | 289,702 | 10,744 | 290,502 | 10,424 |
| \$200,000 under \$300,000 | 377,408 | 7,048 | 422,587 | 6,818 | 663,735 | 35,845 | 670,668 | 33,981 |
| \$300,000 under \$400,000 | 162,881 | 4,032 | 184,237 | 3,945 | 323,806 | 29,242 | 338,418 | 28,002 |
| \$400,000 under \$500,000 | 92,372 | 2,915 | 98,094 | 3,077 | 194,635 | 25,139 | 204,048 | 24,637 |
| \$500,000 under \$1,000,000 | 162,376 | 7,635 | 188,582 | 7,473 | 348,597 | 75,920 | 381,620 | 78,476 |
| \$1,000,000 under \$1,500,000 | 49,756 | 3,380 | 55,743 | 3,325 | 98,805 | 39,366 | 107,950 | 40,737 |
| \$1,500,000 under \$2,000,000 | 23,494 | 2,072 | 25,690 | 2,143 | 44,270 | 25,355 | 48,669 | 26,531 |
| \$2,000,000 under \$5,000,000 | 38,531 | 4,775 | 40,717 | 4,785 | 67,662 | 62,387 | 72,495 | 64,322 |
| \$5,000,000 under \$10,000,000 | 10,867 | 2,040 | 11,080 | 2,028 | 17,978 | 32,473 | 18,526 | 33,291 |
| \$10,000,000 and over | 7,943 | 2,965 | 7,995 | 2,974 | 12,029 | 72,041 | 12,150 | 72,906 |

Footnotes at end of table

Table B. All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 2008—Continued

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

| Size of income | Nondeductible passive losses | | | | Estate and trust net income less loss | | | |
|--------------------------------|-----------------------------------|----------------|----------------------------|------------------|---------------------------------------|----------------|---------------------|---------------|
| | 2008 Adjusted Gross Income | | 1979 Income Concept | | 2008 Adjusted Gross Income | | 1979 Income Concept | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (33) | (34) | (35) | (36) | (37) | (38) | (39) | (40) |
| All returns, total | 2,400,259 | 54,766 | 2,400,259 | 54,766 | 604,448 | 18,150 | 604,448 | 18,150 |
| Under \$10,000 | 204,179 | 9,539 | 291,168 | 20,428 | 49,310 | -1,613 | 47,141 | -1,731 |
| \$10,000 under \$20,000 | 85,474 | 1,346 | 77,080 | 907 | 32,868 | 133 | 34,272 | 172 |
| \$20,000 under \$30,000 | 74,856 | 1,054 | 85,442 | 974 | 34,878 | 209 | 42,232 | 217 |
| \$30,000 under \$40,000 | 79,703 | 1,110 | 91,460 | 912 | 33,935 | 219 | 34,979 | 256 |
| \$40,000 under \$50,000 | 84,457 | 1,011 | 80,372 | 877 | 33,436 | 225 | 34,818 | 236 |
| \$50,000 under \$60,000 | 79,057 | 1,390 | 80,979 | 766 | 29,541 | 293 | 36,384 | 530 |
| \$60,000 under \$70,000 | 84,245 | 919 | 67,220 | 658 | 25,704 | 261 | 25,252 | 283 |
| \$70,000 under \$80,000 | 73,908 | 966 | 79,611 | 790 | 27,312 | 344 | 26,276 | 283 |
| \$80,000 under \$90,000 | 62,900 | 735 | 68,984 | 914 | 31,925 | 439 | 29,469 | 383 |
| \$90,000 under \$100,000 | 74,967 | 803 | 72,218 | 879 | 27,991 | 404 | 24,612 | 270 |
| \$100,000 under \$125,000 | 205,644 | 2,456 | 188,570 | 2,412 | 59,880 | 767 | 55,264 | 813 |
| \$125,000 under \$150,000 | 204,067 | 2,760 | 220,786 | 2,640 | 41,959 | 715 | 38,226 | 633 |
| \$150,000 under \$175,000 | 233,897 | 3,628 | 189,823 | 2,093 | 30,982 | 697 | 28,139 | 758 |
| \$175,000 under \$200,000 | 157,555 | 2,503 | 129,777 | 1,378 | 21,958 | 544 | 19,159 | 358 |
| \$200,000 under \$300,000 | 306,572 | 5,585 | 277,428 | 3,768 | 48,108 | 1,794 | 48,863 | 1,782 |
| \$300,000 under \$400,000 | 125,705 | 2,719 | 123,498 | 2,139 | 18,492 | 682 | 19,605 | 676 |
| \$400,000 under \$500,000 | 72,513 | 1,905 | 71,213 | 1,286 | 12,164 | 627 | 13,413 | 608 |
| \$500,000 under \$1,000,000 | 107,490 | 4,146 | 116,340 | 2,971 | 22,612 | 1,926 | 24,162 | 2,011 |
| \$1,000,000 under \$1,500,000 | 31,946 | 1,741 | 34,525 | 1,387 | 7,326 | 1,221 | 7,710 | 1,172 |
| \$1,500,000 under \$2,000,000 | 15,621 | 1,108 | 16,379 | 767 | 3,345 | 719 | 3,579 | 782 |
| \$2,000,000 under \$5,000,000 | 23,571 | 2,562 | 25,500 | 1,950 | 6,778 | 2,148 | 6,905 | 2,209 |
| \$5,000,000 under \$10,000,000 | 6,860 | 1,556 | 6,856 | 943 | 2,102 | 1,184 | 2,129 | 1,221 |
| \$10,000,000 and over | 5,072 | 3,223 | 5,031 | 2,928 | 1,843 | 4,211 | 1,860 | 4,229 |
| Size of income | Pensions and annuities in AGI [1] | | Pensions and annuities [1] | | Total statutory adjustments | | | |
| | 2008 Adjusted Gross Income | | 1979 Income Concept | | 2008 Adjusted Gross Income | | 1979 Income Concept | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (41) | (42) | (43) | (44) | (45) | (46) | (47) | (48) |
| All returns, total | 30,221,099 | 668,419 | 32,854,493 | 1,061,033 | 35,773,805 | 121,599 | 17,090,639 | 94,850 |
| Under \$10,000 | 2,704,090 | 15,901 | 2,533,065 | 16,538 | 4,621,264 | 7,539 | 328,810 | 3,591 |
| \$10,000 under \$20,000 | 4,171,020 | 40,634 | 4,274,655 | 42,860 | 4,485,401 | 6,341 | 731,382 | 5,339 |
| \$20,000 under \$30,000 | 3,346,464 | 44,635 | 4,107,142 | 59,504 | 3,295,112 | 6,148 | 1,197,488 | 7,828 |
| \$30,000 under \$40,000 | 2,951,081 | 47,627 | 3,612,958 | 67,429 | 3,190,628 | 6,219 | 1,557,444 | 8,967 |
| \$40,000 under \$50,000 | 2,631,055 | 48,917 | 2,966,544 | 64,157 | 2,887,773 | 6,313 | 1,631,273 | 8,164 |
| \$50,000 under \$60,000 | 2,361,379 | 50,101 | 2,342,081 | 56,902 | 2,649,850 | 6,387 | 1,561,382 | 7,948 |
| \$60,000 under \$70,000 | 2,021,986 | 47,938 | 2,002,022 | 51,665 | 2,238,295 | 5,350 | 1,506,691 | 7,028 |
| \$70,000 under \$80,000 | 1,846,903 | 48,614 | 1,689,385 | 49,543 | 1,849,215 | 5,072 | 1,344,419 | 6,053 |
| \$80,000 under \$90,000 | 1,536,144 | 43,488 | 1,439,953 | 44,529 | 1,546,197 | 4,133 | 1,144,915 | 5,174 |
| \$90,000 under \$100,000 | 1,243,207 | 40,694 | 1,175,984 | 39,957 | 1,417,944 | 4,193 | 1,014,474 | 4,420 |
| \$100,000 under \$125,000 | 2,073,381 | 72,054 | 2,063,495 | 76,925 | 2,826,659 | 10,953 | 1,926,865 | 9,009 |
| \$125,000 under \$150,000 | 1,103,751 | 45,417 | 1,260,609 | 59,128 | 1,657,915 | 6,672 | 1,087,891 | 5,280 |
| \$150,000 under \$175,000 | 679,262 | 30,359 | 787,356 | 43,510 | 785,944 | 4,917 | 640,776 | 3,826 |
| \$175,000 under \$200,000 | 398,436 | 19,736 | 520,504 | 35,014 | 466,784 | 3,846 | 389,961 | 2,203 |
| \$200,000 under \$300,000 | 666,972 | 36,943 | 1,033,004 | 91,766 | 852,543 | 10,033 | 607,211 | 4,004 |
| \$300,000 under \$400,000 | 195,528 | 13,156 | 401,385 | 56,155 | 336,372 | 5,674 | 181,991 | 1,696 |
| \$400,000 under \$500,000 | 89,227 | 6,161 | 192,240 | 36,226 | 181,100 | 3,637 | 79,640 | 783 |
| \$500,000 under \$1,000,000 | 129,488 | 9,284 | 306,500 | 84,911 | 298,442 | 7,863 | 114,557 | 1,709 |
| \$1,000,000 under \$1,500,000 | 31,691 | 2,516 | 71,214 | 33,344 | 78,453 | 2,796 | 20,607 | 547 |
| \$1,500,000 under \$2,000,000 | 13,234 | 1,065 | 26,212 | 12,961 | 34,583 | 1,437 | 8,514 | 263 |
| \$2,000,000 under \$5,000,000 | 18,954 | 1,955 | 36,331 | 28,879 | 51,148 | 2,828 | 11,212 | 523 |
| \$5,000,000 under \$10,000,000 | 4,821 | 642 | 7,574 | 6,125 | 13,371 | 1,163 | 2,041 | 213 |
| \$10,000,000 and over | 3,024 | 581 | 4,279 | 3,005 | 8,812 | 2,084 | 1,092 | 281 |

Footnotes at end of table

Table B. All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 2008—Continued

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

| Size of income | Total itemized deductions | | | | Taxable income | | | |
|--------------------------------|----------------------------|------------------|---------------------|------------------|----------------------------|------------------|---------------------|------------------|
| | 2008 Adjusted Gross Income | | 1979 Income Concept | | 2008 Adjusted Gross Income | | 1979 Income Concept | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (49) | (50) | (51) | (52) | (53) | (54) | (55) | (56) |
| All returns, total | 48,167,223 | 1,322,276 | 48,154,431 | 1,260,524 | 107,994,637 | 5,652,925 | 107,994,637 | 5,652,925 |
| Under \$10,000 | 1,018,836 | 16,268 | 1,115,066 | 19,159 | 3,972,614 | 6,302 | 3,997,237 | 8,040 |
| \$10,000 under \$20,000 | 2,065,322 | 32,889 | 2,287,426 | 32,087 | 13,778,651 | 73,151 | 13,801,979 | 74,407 |
| \$20,000 under \$30,000 | 2,979,656 | 47,082 | 3,383,828 | 49,212 | 16,438,825 | 181,859 | 17,212,484 | 196,479 |
| \$30,000 under \$40,000 | 3,886,361 | 61,809 | 4,220,683 | 63,760 | 14,031,759 | 263,133 | 14,587,765 | 289,430 |
| \$40,000 under \$50,000 | 4,198,969 | 71,336 | 4,232,006 | 68,531 | 10,880,515 | 289,670 | 11,041,846 | 312,375 |
| \$50,000 under \$60,000 | 4,056,020 | 74,585 | 3,931,946 | 68,012 | 8,719,878 | 297,490 | 8,431,132 | 304,004 |
| \$60,000 under \$70,000 | 3,965,162 | 77,432 | 3,769,542 | 70,017 | 7,196,296 | 301,399 | 6,828,571 | 295,832 |
| \$70,000 under \$80,000 | 3,661,659 | 76,585 | 3,418,502 | 67,833 | 6,001,379 | 299,450 | 5,609,884 | 287,408 |
| \$80,000 under \$90,000 | 3,279,115 | 72,610 | 3,065,381 | 64,653 | 4,785,516 | 275,845 | 4,426,034 | 258,870 |
| \$90,000 under \$100,000 | 2,980,394 | 69,785 | 2,727,154 | 60,584 | 4,013,552 | 262,767 | 3,691,984 | 244,088 |
| \$100,000 under \$125,000 | 5,468,054 | 139,718 | 5,084,998 | 125,176 | 6,663,698 | 524,995 | 6,247,243 | 487,579 |
| \$125,000 under \$150,000 | 3,152,285 | 93,567 | 3,108,034 | 87,204 | 3,600,925 | 358,976 | 3,613,225 | 352,884 |
| \$150,000 under \$175,000 | 1,991,763 | 66,202 | 1,926,732 | 60,233 | 2,173,024 | 262,581 | 2,146,922 | 250,081 |
| \$175,000 under \$200,000 | 1,289,780 | 48,536 | 1,257,519 | 45,049 | 1,378,211 | 194,338 | 1,386,554 | 183,958 |
| \$200,000 under \$300,000 | 2,196,781 | 100,768 | 2,306,534 | 98,609 | 2,308,891 | 431,352 | 2,503,125 | 429,039 |
| \$300,000 under \$400,000 | 740,815 | 44,977 | 854,994 | 46,500 | 770,101 | 215,420 | 916,176 | 223,837 |
| \$400,000 under \$500,000 | 374,023 | 27,679 | 427,544 | 28,266 | 387,140 | 143,247 | 464,386 | 147,052 |
| \$500,000 under \$1,000,000 | 551,398 | 57,837 | 678,665 | 62,234 | 574,638 | 332,577 | 717,731 | 351,765 |
| \$1,000,000 under \$1,500,000 | 135,285 | 23,250 | 161,084 | 24,216 | 139,649 | 146,685 | 169,651 | 152,249 |
| \$1,500,000 under \$2,000,000 | 57,336 | 13,783 | 66,424 | 14,132 | 59,064 | 88,994 | 68,502 | 92,617 |
| \$2,000,000 under \$5,000,000 | 83,943 | 33,506 | 94,931 | 33,925 | 85,673 | 225,389 | 96,264 | 231,122 |
| \$5,000,000 under \$10,000,000 | 20,953 | 18,715 | 21,967 | 17,971 | 21,237 | 129,066 | 22,380 | 130,528 |
| \$10,000,000 and over | 13,312 | 53,359 | 13,472 | 53,160 | 13,402 | 348,239 | 13,562 | 349,282 |
| Size of income | Total tax credits | | | | Total income tax | | | |
| | 2008 Adjusted Gross Income | | 1979 Income Concept | | 2008 Adjusted Gross Income | | 1979 Income Concept | |
| | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount | Number of returns | Amount |
| | (57) | (58) | (59) | (60) | (61) | (62) | (63) | (64) |
| All returns, total | 55,228,850 | 75,352 | 55,228,850 | 75,352 | 90,660,104 | 1,031,581 | 90,660,104 | 1,031,581 |
| Under \$10,000 | 710,231 | 53 | 713,142 | 93 | 3,117,686 | 667 | 3,182,652 | 963 |
| \$10,000 under \$20,000 | 8,087,989 | 2,408 | 8,059,625 | 2,418 | 9,529,676 | 5,078 | 9,542,829 | 5,217 |
| \$20,000 under \$30,000 | 9,582,655 | 5,714 | 9,875,739 | 5,881 | 10,757,411 | 15,440 | 11,465,695 | 16,984 |
| \$30,000 under \$40,000 | 7,219,318 | 6,867 | 7,343,586 | 7,011 | 10,755,171 | 25,552 | 11,334,321 | 28,881 |
| \$40,000 under \$50,000 | 5,325,248 | 6,568 | 5,330,476 | 6,526 | 9,308,560 | 31,402 | 9,489,452 | 34,923 |
| \$50,000 under \$60,000 | 4,023,718 | 6,094 | 3,982,168 | 6,075 | 7,877,586 | 35,573 | 7,614,483 | 36,756 |
| \$60,000 under \$70,000 | 3,488,667 | 5,914 | 3,389,601 | 5,778 | 6,786,542 | 37,804 | 6,442,895 | 37,304 |
| \$70,000 under \$80,000 | 3,214,930 | 5,494 | 3,052,842 | 5,283 | 5,794,616 | 38,632 | 5,406,498 | 37,503 |
| \$80,000 under \$90,000 | 2,640,048 | 4,598 | 2,458,941 | 4,420 | 4,683,761 | 36,335 | 4,322,971 | 34,681 |
| \$90,000 under \$100,000 | 2,046,638 | 3,907 | 1,971,091 | 3,720 | 3,954,407 | 36,209 | 3,630,755 | 34,045 |
| \$100,000 under \$125,000 | 3,472,578 | 5,874 | 3,381,445 | 5,748 | 6,610,504 | 80,784 | 6,180,869 | 74,923 |
| \$125,000 under \$150,000 | 1,788,428 | 2,357 | 1,774,628 | 2,242 | 3,588,507 | 62,615 | 3,588,756 | 61,557 |
| \$150,000 under \$175,000 | 1,116,503 | 1,181 | 1,058,295 | 1,179 | 2,167,126 | 49,639 | 2,130,195 | 47,113 |
| \$175,000 under \$200,000 | 504,023 | 470 | 541,257 | 545 | 1,375,150 | 39,232 | 1,376,761 | 36,775 |
| \$200,000 under \$300,000 | 891,612 | 1,569 | 995,943 | 1,618 | 2,304,179 | 97,964 | 2,489,861 | 95,673 |
| \$300,000 under \$400,000 | 356,145 | 1,320 | 409,191 | 1,377 | 768,999 | 56,118 | 913,000 | 56,854 |
| \$400,000 under \$500,000 | 200,341 | 1,128 | 230,498 | 1,140 | 386,722 | 39,617 | 462,592 | 39,711 |
| \$500,000 under \$1,000,000 | 338,985 | 2,817 | 414,525 | 3,055 | 574,263 | 93,899 | 715,353 | 98,094 |
| \$1,000,000 under \$1,500,000 | 91,394 | 1,495 | 104,893 | 1,572 | 139,843 | 41,880 | 169,703 | 43,172 |
| \$1,500,000 under \$2,000,000 | 40,553 | 928 | 46,246 | 955 | 59,052 | 25,385 | 68,421 | 26,376 |
| \$2,000,000 under \$5,000,000 | 61,387 | 2,624 | 66,581 | 2,726 | 85,735 | 63,391 | 96,134 | 64,949 |
| \$5,000,000 under \$10,000,000 | 16,366 | 1,507 | 16,929 | 1,524 | 21,236 | 34,806 | 22,372 | 35,246 |
| \$10,000,000 and over | 11,092 | 4,465 | 11,209 | 4,466 | 13,374 | 83,558 | 13,535 | 83,881 |

[1] Individual Retirement Arrangements are included in the calculation of "Pensions and annuities."

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

measures prior to 1987, the disallowed passive losses had to be deducted in the 1979 Income Concept calculation for tax years after 1986.

Some income items, such as capital gains, that had been partially excluded from AGI under prior law were fully included. The new law also eliminated or restricted some deductions. Therefore, if AGI is used to measure income, comparisons between 1986 income and tax data with that for years after 1986 are misleading. A more accurate comparison can be made using the 1979 Income Concept because it measures income in the same way for all years. Table B shows total income and selected tax items for 2008 using AGI and the 1979 Income Concept, classified by size of 2008 income.

Before TRA 86 became effective, a comparison of income measured by AGI with that measured by the 1979 Income Concept showed significant differences at income levels of \$200,000 or more. But, with the elimination of preferential treatment of various income items by TRA 86, such as the exclusion of a portion of capital gains, much of the difference disappeared. Under tax law prior to 1987, the capital gains exclusion accounted for the largest difference at the higher income levels

between the two income measures. For 2008, 1979 Concept income was 2.7 percent higher than income as calculated using AGI. This difference was primarily attributed to the inclusion of more than \$392.6 billion in nontaxable pensions and annuities (including IRA distributions) in the 1979 Income Concept.

Income for all returns, using the 1979 Income Concept, decreased 5.0 percent for 2008; income for the \$200,000 and above group decreased 12.5 percent. Total income tax for all returns decreased 7.5 percent in 2008 after an increase of 9.0 percent in 2007; and total income tax reported for the \$200,000 and above income group decreased 12.0 percent for 2008, down significantly from the 11.9 percent increase for 2007. The average tax rates (income tax as a percentage of total income) for each income class and both income concepts for years 1986 through 2008 are shown in Figure 4.

For the population as a whole, average tax rates for 2008 (based on the 1979 Income Concept) were 0.3 percentage point lower than those for 2007. Between 1986 and 2008, the average tax rates declined in all income categories except the \$1 million or more category.

Figure 4--Total Income Tax as a Percentage of Adjusted Gross Income and the 1979 Income Concept, 1986-2008

| Size of 2008 AGI | Total income tax as a percentage of adjusted gross income | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1986 (1) | 1987 (2) | 1988 (3) | 1989 (4) | 1990 (5) | 1991 (6) | 1992 (7) | 1993 (8) | 1994 (9) | 1995 (10) | 1996 (11) | 1997 (12) | 1998 (13) | 1999 (14) | 2000 (15) | 2001 (16) | 2002 (17) | 2003 (18) | 2004 (19) | 2005 (20) | 2006 (21) | 2007 (22) | 2008 (23) |
| All returns, total | 14.8 | 13.3 | 13.4 | 13.3 | 13.1 | 12.9 | 13.1 | 13.5 | 13.7 | 14.0 | 14.5 | 14.7 | 14.6 | 15.0 | 15.4 | 14.4 | 13.2 | 12.1 | 12.3 | 12.6 | 12.7 | 12.8 | 12.5 |
| \$1 Under \$10,000 | 3.0 | 2.9 | 2.9 | 2.7 | 2.5 | 2.3 | 2.0 | 1.9 | 1.8 | 1.8 | 1.8 | 1.8 | 1.7 | 1.7 | 1.7 | 1.7 | 1.0 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 |
| \$10,000 under \$20,000 | 7.8 | 6.8 | 6.5 | 6.4 | 6.1 | 5.5 | 5.1 | 4.9 | 4.8 | 4.7 | 4.6 | 4.3 | 4.3 | 4.1 | 4.1 | 3.4 | 2.6 | 2.4 | 2.3 | 2.2 | 2.1 | 2.0 | 1.5 |
| \$20,000 under \$30,000 | 10.6 | 9.4 | 9.3 | 9.3 | 9.1 | 8.7 | 8.4 | 8.2 | 8.1 | 7.9 | 7.7 | 7.6 | 6.8 | 6.7 | 6.5 | 5.9 | 4.7 | 4.2 | 4.1 | 4.0 | 3.9 | 3.7 | 3.3 |
| \$30,000 under \$40,000 | 12.2 | 10.6 | 10.9 | 10.9 | 10.6 | 10.5 | 10.2 | 10.1 | 10.0 | 9.8 | 9.7 | 9.6 | 8.8 | 8.6 | 8.5 | 8.0 | 6.7 | 6.1 | 5.8 | 5.6 | 5.5 | 5.4 | 5.0 |
| \$40,000 under \$50,000 | 13.8 | 11.8 | 11.6 | 11.5 | 11.4 | 11.0 | 10.8 | 10.7 | 10.8 | 10.7 | 10.8 | 10.7 | 10.0 | 9.8 | 9.8 | 9.4 | 8.1 | 7.4 | 7.2 | 6.9 | 6.8 | 6.7 | 6.3 |
| \$50,000 under \$60,000 | 15.5 | 13.5 | 13.2 | 12.9 | 12.4 | 12.1 | 11.6 | 11.5 | 11.4 | 11.4 | 11.3 | 11.3 | 10.7 | 10.6 | 10.6 | 10.2 | 9.2 | 8.5 | 8.1 | 7.8 | 7.7 | 7.6 | 7.4 |
| \$60,000 under \$70,000 | 16.9 | 15.1 | 14.5 | 14.2 | 13.8 | 13.2 | 12.9 | 12.7 | 12.6 | 12.5 | 12.3 | 12.1 | 11.4 | 11.2 | 11.2 | 10.8 | 9.6 | 9.0 | 8.5 | 8.4 | 8.4 | 8.3 | 8.1 |
| \$70,000 under \$80,000 | 18.7 | 16.5 | 15.6 | 15.3 | 14.9 | 14.4 | 14.0 | 13.9 | 13.8 | 13.6 | 13.6 | 13.4 | 12.6 | 12.4 | 12.1 | 11.6 | 10.6 | 9.4 | 9.0 | 8.8 | 8.7 | 8.8 | 8.6 |
| \$80,000 under \$90,000 | 19.9 | 17.8 | 16.6 | 16.2 | 15.8 | 15.4 | 15.0 | 15.1 | 14.9 | 14.6 | 14.6 | 14.4 | 13.5 | 13.5 | 13.5 | 12.9 | 11.6 | 10.1 | 9.5 | 9.4 | 9.2 | 9.1 | 8.9 |
| \$90,000 under \$100,000 | 20.8 | 18.8 | 17.4 | 17.3 | 16.6 | 16.0 | 15.9 | 15.7 | 15.9 | 15.8 | 15.4 | 15.2 | 14.8 | 14.5 | 14.4 | 13.7 | 12.7 | 11.0 | 10.5 | 10.1 | 9.9 | 9.7 | 9.5 |
| \$100,000 under \$125,000 | 23.1 | 20.1 | 18.8 | 18.4 | 17.5 | 17.3 | 16.9 | 17.0 | 17.0 | 16.9 | 16.7 | 16.5 | 16.0 | 15.8 | 15.8 | 15.2 | 14.2 | 12.4 | 12.0 | 11.5 | 11.3 | 11.1 | 10.9 |
| \$125,000 under \$150,000 | 25.2 | 21.8 | 20.3 | 19.8 | 19.2 | 18.6 | 18.7 | 18.6 | 18.6 | 18.3 | 18.4 | 17.7 | 17.7 | 17.6 | 17.4 | 16.8 | 16.0 | 14.2 | 13.7 | 13.4 | 13.3 | 13.0 | 12.7 |
| \$150,000 under \$175,000 | 28.0 | 23.0 | 21.6 | 21.1 | 20.4 | 19.8 | 19.6 | 19.7 | 19.9 | 19.9 | 19.8 | 19.3 | 18.8 | 19.0 | 18.6 | 18.2 | 17.3 | 15.4 | 15.1 | 14.8 | 14.5 | 14.2 | 14.1 |
| \$175,000 under \$200,000 | 29.3 | 23.9 | 22.5 | 21.8 | 21.1 | 21.0 | 20.7 | 21.2 | 21.1 | 20.9 | 20.9 | 20.5 | 20.0 | 20.0 | 19.9 | 19.1 | 18.4 | 16.8 | 16.4 | 16.2 | 15.8 | 15.3 | 15.2 |
| \$200,000 under \$300,000 | 31.1 | 25.8 | 23.7 | 22.8 | 22.6 | 22.7 | 22.9 | 23.8 | 23.9 | 23.8 | 23.4 | 22.9 | 22.4 | 22.4 | 22.4 | 21.6 | 21.0 | 19.2 | 18.9 | 18.6 | 18.1 | 17.7 | 17.7 |
| \$300,000 under \$400,000 | 33.7 | 27.0 | 24.0 | 23.6 | 23.7 | 24.3 | 24.4 | 26.9 | 26.9 | 26.8 | 26.6 | 26.1 | 25.4 | 25.4 | 25.0 | 24.7 | 24.2 | 22.4 | 22.1 | 21.6 | 21.3 | 21.0 | 21.1 |
| \$400,000 under \$500,000 | 36.2 | 28.2 | 24.1 | 23.9 | 23.6 | 24.9 | 25.3 | 28.4 | 28.6 | 28.7 | 28.2 | 27.4 | 26.9 | 26.7 | 26.6 | 26.1 | 25.7 | 23.8 | 23.2 | 22.9 | 22.8 | 22.7 | 22.9 |
| \$500,000 under \$1,000,000 | 38.4 | 29.0 | 24.6 | 24.0 | 24.0 | 25.7 | 26.0 | 30.0 | 30.2 | 30.2 | 30.1 | 29.0 | 28.2 | 28.4 | 28.3 | 28.1 | 27.9 | 24.9 | 24.3 | 23.8 | 23.6 | 23.4 | 23.9 |
| \$1,000,000 or more | 40.2 | 28.6 | 25.0 | 24.2 | 24.1 | 26.2 | 26.8 | 31.2 | 31.1 | 31.4 | 30.8 | 28.8 | 27.5 | 27.9 | 27.7 | 28.3 | 28.5 | 24.8 | 23.4 | 23.0 | 22.5 | 22.1 | 23.1 |
| All returns, total | 13.3 | 13.1 | 13.3 | 13.2 | 13.0 | 12.7 | 12.8 | 13.3 | 13.5 | 13.8 | 14.3 | 14.5 | 14.2 | 14.6 | 15.0 | 14.1 | 12.9 | 11.8 | 12.0 | 12.3 | 12.4 | 12.5 | 12.2 |
| \$1 Under \$10,000 | 3.0 | 2.9 | 2.9 | 2.7 | 2.6 | 2.3 | 2.0 | 1.9 | 1.8 | 1.8 | 1.8 | 1.9 | 1.7 | 1.7 | 1.7 | 1.0 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.5 |
| \$10,000 under \$20,000 | 7.6 | 6.7 | 6.5 | 6.4 | 6.1 | 5.5 | 5.1 | 4.8 | 4.8 | 4.7 | 4.6 | 4.4 | 4.2 | 4.1 | 4.0 | 3.4 | 2.6 | 2.4 | 2.3 | 2.2 | 2.1 | 2.0 | 1.5 |
| \$20,000 under \$30,000 | 10.0 | 9.3 | 9.3 | 9.3 | 9.1 | 8.7 | 8.3 | 8.2 | 8.1 | 7.9 | 7.8 | 7.6 | 6.9 | 6.8 | 6.6 | 6.1 | 4.8 | 4.4 | 4.2 | 4.1 | 4.0 | 3.9 | 3.5 |
| \$30,000 under \$40,000 | 11.6 | 10.7 | 10.7 | 10.9 | 10.7 | 10.5 | 10.2 | 10.2 | 10.1 | 10.1 | 10.0 | 9.8 | 9.1 | 8.9 | 9.0 | 8.4 | 7.1 | 6.5 | 6.2 | 6.0 | 5.9 | 5.8 | 5.5 |
| \$40,000 under \$50,000 | 12.6 | 11.7 | 11.7 | 11.5 | 11.5 | 11.1 | 10.9 | 10.8 | 11.0 | 11.0 | 11.1 | 11.0 | 10.3 | 10.1 | 10.2 | 9.9 | 8.5 | 7.8 | 7.6 | 7.4 | 7.3 | 7.3 | 6.9 |
| \$50,000 under \$60,000 | 13.8 | 13.4 | 13.2 | 12.9 | 12.5 | 12.0 | 11.6 | 11.6 | 11.6 | 11.6 | 11.6 | 11.5 | 11.0 | 10.9 | 10.9 | 10.6 | 9.5 | 8.7 | 8.4 | 8.1 | 8.1 | 8.1 | 7.8 |
| \$60,000 under \$70,000 | 14.9 | 15.0 | 14.5 | 14.2 | 13.8 | 13.2 | 12.9 | 12.7 | 12.7 | 12.5 | 12.5 | 12.4 | 11.4 | 11.4 | 11.5 | 11.1 | 9.8 | 9.1 | 8.7 | 8.7 | 8.6 | 8.5 | 8.3 |
| \$70,000 under \$80,000 | 15.8 | 16.2 | 15.4 | 15.2 | 14.6 | 14.2 | 13.7 | 13.7 | 13.6 | 13.6 | 13.5 | 13.3 | 12.6 | 12.4 | 12.3 | 11.8 | 10.8 | 9.5 | 9.1 | 9.0 | 8.9 | 9.0 | 8.8 |
| \$80,000 under \$90,000 | 16.7 | 17.5 | 16.1 | 16.2 | 15.5 | 15.1 | 14.6 | 14.7 | 14.6 | 14.4 | 14.5 | 14.2 | 13.3 | 13.4 | 13.4 | 12.9 | 11.5 | 10.1 | 9.6 | 9.4 | 9.2 | 9.3 | 9.1 |
| \$90,000 under \$100,000 | 16.8 | 18.1 | 17.1 | 16.8 | 16.1 | 15.5 | 15.2 | 15.3 | 15.4 | 15.5 | 15.2 | 14.5 | 14.0 | 14.0 | 14.2 | 13.6 | 12.7 | 11.0 | 10.4 | 10.1 | 10.0 | 9.8 | 9.6 |
| \$100,000 under \$125,000 | 18.3 | 19.3 | 18.0 | 17.7 | 16.9 | 16.6 | 16.2 | 16.3 | 16.3 | 16.2 | 16.1 | 16.0 | 15.2 | 15.4 | 15.4 | 14.9 | 13.8 | 12.0 | 11.7 | 11.3 | 11.1 | 10.9 | 10.7 |
| \$125,000 under \$150,000 | 19.0 | 20.6 | 19.6 | 18.8 | 18.0 | 17.3 | 17.2 | 17.7 | 17.4 | 17.4 | 17.3 | 16.7 | 16.6 | 16.6 | 16.6 | 16.2 | 15.2 | 13.6 | 13.0 | 12.8 | 12.7 | 12.5 | 12.4 |
| \$150,000 under \$175,000 | 19.3 | 21.2 | 20.6 | 20.0 | 19.1 | 18.3 | 17.8 | 18.0 | 18.5 | 18.1 | 18.4 | 18.2 | 17.1 | 17.5 | 17.5 | 17.0 | 15.9 | 14.3 | 14.1 | 13.8 | 13.7 | 13.4 | 13.5 |
| \$175,000 under \$200,000 | 20.3 | 22.5 | 21.6 | 20.7 | 20.0 | 18.6 | 19.0 | 19.1 | 19.4 | 19.2 | 18.9 | 18.8 | 18.1 | 18.4 | 18.0 | 17.8 | 16.8 | 15.3 | 14.9 | 15.0 | 14.5 | 14.2 | 14.2 |
| \$200,000 under \$300,000 | 22.6 | 23.8 | 22.3 | 21.5 | 21.4 | 20.5 | 20.2 | 21.4 | 21.5 | 21.5 | 21.3 | 20.4 | 19.4 | 19.9 | 20.2 | 19.5 | 18.5 | 17.1 | 17.0 | 16.4 | 15.9 | 15.7 | 15.8 |
| \$300,000 under \$400,000 | 22.6 | 24.5 | 22.6 | 21.9 | 21.5 | 21.6 | 21.6 | 23.5 | 23.7 | 23.7 | 23.1 | 22.0 | 21.5 | 21.3 | 21.7 | 21.3 | 20.5 | 19.2 | 18.9 | 18.4 | 18.1 | 17.8 | 17.9 |
| \$400,000 under \$500,000 | 23.4 | 26.5 | 23.2 | 22.7 | 22.3 | 23.0 | 21.4 | 25.4 | 24.8 | 25.1 | 25.0 | 24.3 | 22.6 | 23.2 | 21.5 | 22.2 | 21.8 | 20.2 | 19.7 | 19.5 | 18.8 | 19.2 | 19.0 |
| \$500,000 under \$1,000,000 | 23.7 | 26.7 | 23.5 | 22.0 | 21.7 | 23.5 | 22.6 | 26.3 | 26.1 | 26.7 | 27.1 | 26.1 | 24.3 | 24.0 | 24.3 | 24.2 | 23.7 | 21.7 | 20.7 | 21.0 | 20.2 | 19.6 | 19.9 |
| \$1,000,000 or more | 21.4 | 26.8 | 24.5 | 23.2 | 23.2 | 25.2 | 26.1 | 29.5 | 30.1 | 30.4 | 29.8 | 27.5 | 26.2 | 26.1 | 26.0 | 27.0 | 26.7 | 23.4 | 22.3 | 21.8 | 21.3 | 21.1 | 21.7 |

Total income tax as a percentage of 1979 Income Concept

| Size of 2008 Income | Total income tax as a percentage of 1979 Income Concept | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1986 (24) | 1987 (25) | 1988 (26) | 1989 (27) | 1990 (28) | 1991 (29) | 1992 (30) | 1993 (31) | 1994 (32) | 1995 (33) | 1996 (34) | 1997 (35) | 1998 (36) | 1999 (37) | 2000 (38) | 2001 (39) | 2002 (40) | 2003 (41) | 2004 (42) | 2005 (43) | 2006 (44) | 2007 (45) | 2008 (46) |
| All returns, total | 13.3 | 13.1 | 13.3 | 13.2 | 13.0 | 12.7 | 12.8 | 13.3 | 13.5 | 13.8 | 14.3 | 14.5 | 14.2 | 14.6 | 15.0 | 14.1 | 12.9 | 11.8 | 12.0 | 12.3 | 12.4 | 12.5 | 12.2 |
| \$1 Under \$10,000 | 3.0 | 2.9 | 2.9 | 2.7 | 2.6 | 2.3 | 2.0 | 1.9 | 1.8 | 1.8 | 1.8 | 1.9 | 1.7 | 1.7 | 1.7 | 1.0 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.5 |
| \$10,000 under \$20,000 | 7.6 | 6.7 | 6.5 | 6.4 | 6.1 | 5.5 | 5.1 | 4.8 | 4.8 | 4.7 | 4.6 | 4.4 | 4.2 | 4.1 | 4.0 | 3.4 | 2.6 | 2.4 | 2.3 | 2.2 | 2.1 | 2.0 | 1.5 |
| \$20,000 under \$30,000 | 10.0 | 9.3 | 9.3 | 9.3 | 9.1 | 8.7 | 8.3 | 8.2 | 8.1 | 7.9 | 7.8 | 7.6 | 6.9 | 6.8 | 6.6 | 6.1 | 4.8 | 4.4 | 4.2 | 4.1 | 4.0 | 3.9 | 3.5 |
| \$30,000 under \$40,000 | 11.6 | 10.7 | 10.7 | 10.9 | 10.7 | 10.5 | 10.2 | 10.2 | 10.1 | 10.1 | 10.0 | 9.8 | 9.1 | 8.9 | 9.0 | 8.4 | 7.1 | 6.5 | 6.2 | 6.0 | 5.9 | 5.8 | 5.5 |
| \$40,000 under \$50,000 | 12.6 | 11.7 | 11.7 | 11.5 | 11.5 | 11.1 | 10.9 | 10.8 | 11.0 | 11.0 | 11.1 | 11.0 | 10.3 | 10.1 | 10.2 | 9.9 | 8.5 | 7.8 | 7.6 | 7.4 | 7.3 | 7.3 | 6.9 |
| \$50,000 under \$60,000 | 13.8 | 13.4 | 13.2 | 12.9 | 12.5 | 12.0 | 11.6 | 11.6 | 11.6 | 11.6 | 11.6 | 11.5 | 11.0 | 10.9 | 10.9 | 10.6 | 9.5 | 8.7 | 8.4 | 8.1 | 8.1 | 8.1 | 7.8 |
| \$60,000 under \$70,000 | 14.9 | 15.0 | 14.5 | 14.2 | 13.8 | 13.2 | 12.9 | 12.7 | 12.7 | 12.5 | 12.5 | 12.4 | 11.4 | 11.4 | 11.5 | 11.1 | 9.8 | 9.1 | 8.7 | 8.7 | 8.6 | 8.5 | 8.3 |
| \$70,000 under \$80,000 | 15.8 | 16.2 | 15.4 | 15.2 | 14.6 | 14.2 | 13.7 | 13.7 | 13.6 | 13.6 | 13.5 | 13.3 | 12.6 | 12.4 | 12.3 | 11.8 | 10.8 | 9.5 | 9.1 | 9.0 | 8.9 | 9.0 | 8.8 |
| \$80,000 under \$90,000 | 16.7 | 17.5 | 16.1 | 16.2 | 15.5 | 15.1 | 14.6 | 14.7 | 14.6 | 14.4 | 14.5 | | | | | | | | | | | | |

