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The *Statistics of Income (SOI) Bulletin* is issued quarterly by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers, and tax administrators. Selected historical and other data tables, previously published in the spring issue of the *Bulletin* are now only available on SOI's pages of the IRS Website (https://www.irs.gov/statistics/ soi-tax-stats-historical-data-tables).

Information on the availability of supplemental data on the topics included in this issue or other SOI subjects, may be obtained by sending an email to SOI's Statistical Information Services at sis@irs.gov, or by writing to the Director, Statistics of Income Division OS:RAAS:S, Internal Revenue Service, 1111 Constitution Avenue, NW, K-Room 4112, Washington, D.C. 20224.

The *SOI Bulletin* is prepared under the direction of Wayne Kei, Chief, Data Dissemination Section. Clay Moulton (layout and graphics), Lisa Smith (layout and graphics editor), and Camille Swick (layout and graphics) are the editorial staff who prepare the manuscript. Emily Gross, Jim Hobbs, Beth Kilss, and Georgette Walsh also made major contributions in the production of this issue. Views expressed in the article are those of the author and do not necessarily represent the views of the Treasury Department or the Internal Revenue Service.

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Individual Income Tax Shares, Tax Year 2017 **2**

by Adrian Dungan

For Tax Year (TY) 2017, nondependent taxpayers filed 143.3 million individual income tax returns, an increase of 1.7 percent from the 140.9 million returns filed for TY 2016. Total AGI increased 7.7 percent to $10.94 trillion for 2017, while total income tax increased 11 percent to $1.6 trillion. The AGI threshold for the top 0.001 percent of individual income tax returns for this year was at least $63.4 million, the peak during the 10 years of this study (2008-2017). This was an increase of 19.6 percent from the previous year when the top 0.001 percent of tax returns had an AGI of at least $53.1 million. For TY 2017, the amount of AGI needed for inclusion in the top 50 percent of returns was $41,740. These returns accounted for 88.7 percent of total AGI and paid 96.9 percent of total income tax.

Foreign Recipients of U.S. Income, Calendar Year 2017 **31**

by Andrew Luttrell

U.S.-source income payments to foreign persons, as reported on Foreign Person's U.S.-Source Income Subject to Withholding (Form 1042-S), rose to $882.1 billion for Calendar Year 2017. This represents an increase of 3.4 percent from 2016. Withholding taxes on this income rose by just 0.2 percent as 86.5 percent of all U.S.-source income paid to foreign persons was exempt from withholding tax. Taxes on the residual U.S.-source income subject to tax were withheld at an average rate of 16.4 percent.

Effects of Post-Filing Adjustments on SOI Estimates **39**

by Derrick Dennis, Jennifer Ferris, Gloria Gagin, Tuba Ozer-Gurbuz, Julia Shiller, and Christopher Williams

In this preliminary study looking at 2013, we estimated that 2.3 percent of individual income tax returns (Forms 1040) and 0.52 percent of corporate income

tax returns (Forms 1120) were amended (using Forms 1040-X and 1120-X, respectively). Amendments to these returns decreased the estimated total tax from individual filers by $2.1 billion (0.16 percent) and the estimated total tax from corporate filers by $87.7 million (0.03 percent).

We estimated that less than 1 percent of individual income tax returns (0.6 percent) and corporate income tax returns (0.79 percent) for 2013 were examined. From these examinations, our estimated recommended change would increase the estimated total amount of taxes assessed from individual filers by $4.4 billion (0.34 percent) and increase the estimated total amount of taxes assessed from corporate filers by approximately $2.85 billion (0.98 percent).

Implementation of the Tax Cuts and Jobs Act of 2017: An SOI Response 54
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This article describes how SOI responded to the need to implement provisions of the Tax Cuts and Jobs Act (TCJA) of 2017, which became law on December 21, 2017, on its studies in the corporation, individual, international, and tax exempt areas. Due to the magnitude of TCJA's scope, SOI employed strategies and tools beyond the traditional procedures for developing and preparing each year's study. SOI also collaborated with other areas of IRS to identify emerging trends based on early filing season data and captured these trends in data tables and graphical presentations for IRS leadership.

Individual Income Tax Shares, Tax Year 2017

by Adrian Dungan

Income and Tax Shares

Tables 1 and 2 present statistics on AGI and income tax, by cumulative percentiles of returns with positive AGI, for Tax Years 2008–2017. (All tables and figures included in this article are for total individual income tax returns filed, excluding dependent returns.)[1] The tables show distributions of AGI for each tax year, by descending and ascending cumulative percentiles of returns, respectively, and can be used to make comparisons across cumulative percentile classes within each year. Table 1 shows percentiles of returns cumulated downward, starting with the highest income returns, and presents data for 14 different percentiles, from the top 0.001 percent through the top 50 percent of all returns. Table 2 shows percentiles of returns cumulated upward, starting with the lowest income returns, and presents data for the bottom 5 percentiles: 50 percent, 75 percent, 90 percent, 95 percent, and 99 percent of all returns.

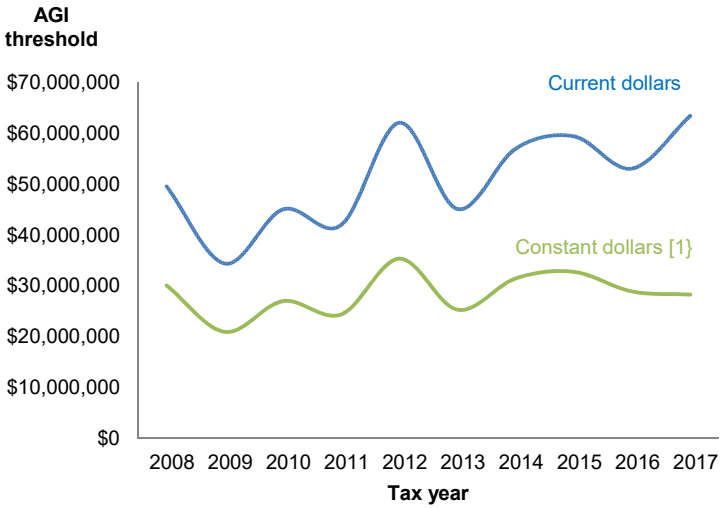
For TY 2017, nondependent taxpayers filed 143.3 million individual income tax returns (Table 1), an increase of 1.7 percent from the 140.9 million returns filed for TY 2016. Total AGI increased 7.7 percent to $10.94 trillion in 2017, while total income tax increased 11 percent to $1.6 trillion.

For TY 2017, the top 0.001 percent of individual income tax returns had an AGI of at least $63.4 million, the peak during the 10 years of this study, which was an increase of 19.6 percent from the previous year when the top 0.001 percent of tax returns had an AGI of at least $53.1 million (Figure A). These returns accounted for 2.3 percent of total AGI in TY 2017, up from 2 percent in TY 2016; and they also accounted for 3.9 percent of the total income tax in TY 2017 (Figure B), up from 3.2 percent in TY 2016. Total AGI for the 0.001 percentile increased by 25 percent from $204.9 billion in 2016 to $256.3 billion in 2017. The average AGI for this percentile was $178.8 million (Figure C). The average AGI reported on all returns was $76,321 in comparison with $72,090 for the previous year.

For TY 2017, the average tax rate for the top 0.001 percent of tax returns was 24.1 percent, up from the TY 2016 rate of 22.9 percent. As has been the case for all 10 years of this study, the average tax rate for the top 0.001 percent remained lower than the average tax rates of all percentiles from the top 0.01 percent through the top 3 percent of returns (Figure D). Taxpayers in the top 0.1 percent paid the highest average tax rate (26.9 percent), and each successive percentile paid lower average tax rates, falling to 16 percent for the top 50 percent of returns.

For TY 2017, taxpayers filing returns that were in the top 1 percent reported an AGI of $515,371 or more, an increase from the AGI floor for this group for TY 2016 ($480,804) (Figure E).

Figure A
Adjusted Gross Income (AGI) Threshold for the Top 0.001 Percent of Returns, Tax Years 2008–2017



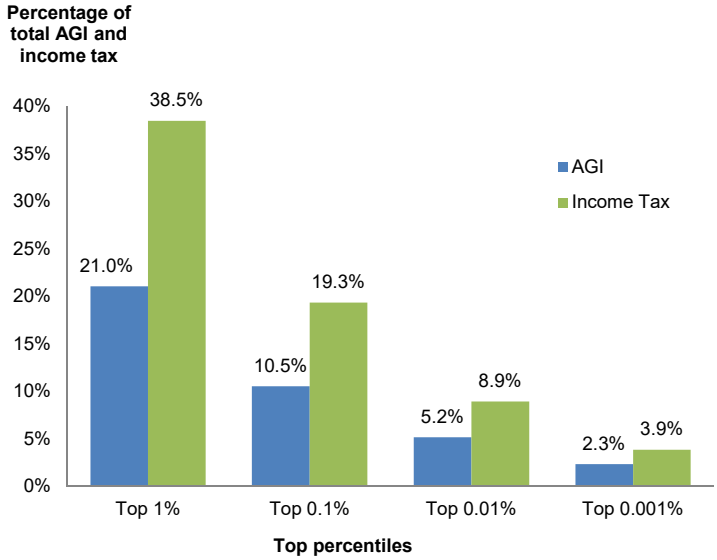
[1] Constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1990=100). For 2017 the CPI-U = 245.120.
NOTES: Figure is based on all individual income tax returns excluding dependents. AGI threshold is the minimum amount of adjusted gross income needed for inclusion in each percentile.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

Highlights:

- For Tax Year (TY) 2017, the adjusted gross income (AGI) threshold was $41,740 for the top 50 percent of all individual income tax returns. These taxpayers accounted for 88.7 percent of total AGI and paid 96.9 percent of total income tax for the year.
- The top 3 percent of tax returns filed reported more than half (52 percent) of total income tax. These taxpayers had an AGI of $271,182 or more (30.4 percent of total AGI).
- The top 1 percent of tax returns had an AGI of $515,371 or more. These taxpayers accounted for 21 percent of total AGI and paid 38.5 percent of total income tax.
- The top 0.01 percent of tax returns had an AGI of $12,899,070 or more. These taxpayers reported 5.2 percent of total AGI and paid 8.9 percent of total income tax.
- The top 0.001 percent of tax returns had an AGI of $63,430,119 or more, or 2.3 percent of total AGI. These taxpayers paid 3.9 percent of total income tax.
- The average tax rate for all returns filed for 2017 was 14.6 percent, the highest average tax rate of this 10-year study, Tax Years 2008–2017.

[1] See *Statistics of Income—2017 Individual Income Tax Returns (Complete Report)*, Publication 1304, Table 1.7 for income and tax data related to dependent returns.

Figure B
Percentage of Total Adjusted Gross Income (AGI) and Income Tax for Top Thresholds of AGI, Tax Year 2017



NOTE: Figure is based on all individual income tax returns excluding dependents.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

These taxpayers accounted for 21 percent of total AGI and 38.5 percent of the total income tax (Figure F), a decrease from 19.7 percent and 37.3 percent for 2016, respectively. The bottom 50 percent of returns for 2017 reported less total AGI (11.3 percent) and less total income tax (3.1 percent) in contrast with the top 1 percent that year. The bottom 50 percent of returns also had a much lower average tax rate (4.0 percent) for 2017.

In constant dollars, the AGI threshold for the top 50 percent of returns was trending downward between 2008 and 2011, going from a threshold of $21,457 (2008) to $20,234 (2011) (Figure G and Table 1). Between 2012 and 2016, however, the AGI threshold steadily increased, reaching $21,829 in 2016. In TY 2017, the AGI threshold for the top 50 percent of returns decreased to $21,375. Every other percentile below 50 percent through 0.001 percent had a decline in constant dollar thresholds for TY 2017 (Figure H and Table 1).

As expected for a graduated income tax system, the top 0.001 percent through the top 50 percent of returns recorded larger shares of the income tax compared to their respective shares of AGI. For TY 2017, the top 0.001 percent reported a 0.3 percentage point increase in its share of total AGI and a 0.6 percentage point increase in its share of total income tax. The top 0.01 percent of returns reported a 0.6 percentage point increase in its share of total AGI and a 0.9 percentage point increase in its share of total income tax. All other percentiles through the top 50 percent also experienced increases in their respective shares of total AGI. However, for tax shares, this was only true through the top 30 percent of returns. For TY 2017, the amount of AGI needed for inclusion in the top 50 percent of returns (i.e., the AGI threshold) was $41,740. These returns accounted for 88.7 percent of total AGI and paid 96.9 percent of total income tax.

For TY 2017, the portion of total (nondependent returns) AGI earned through salaries and wages for all returns was 68.7 percent (Table 3). The top 0.001 percent of returns earned only 8.7 percent of AGI through salaries and wages. Conversely, sales of capital assets accounted for 52.3 percent of AGI for the top 0.001 percent of returns while only accounting for 7.8 percent of AGI for all returns.

Changes in Law and Data Sources and Limitations

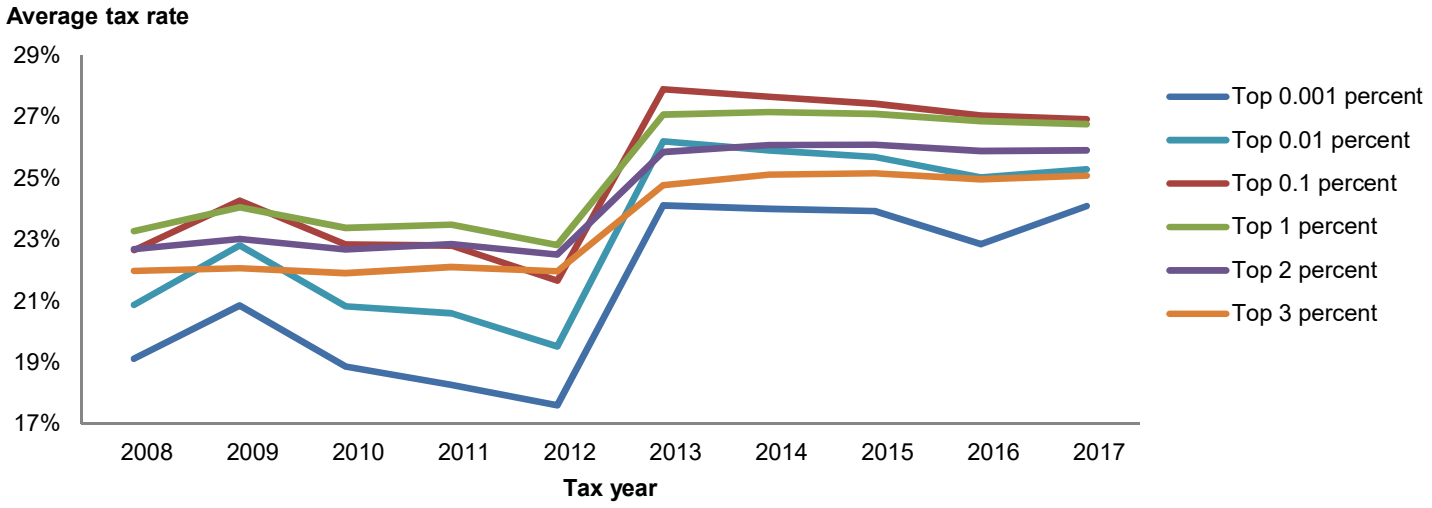
SOI publishes an annual report that contains complete individual income tax data by tax year, including sections on "Changes

Figure C
Average Adjusted Gross Income by Percentile, Tax Years 2008–2017
[Money amounts are in current dollars]

Tax year	All returns	Top 0.001 percent	Top 0.01 percent	Top 0.1 percent	Top 1 percent	Top 2 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2008	61,751	130,366,441	29,946,347	6,214,806	1,246,707	779,656	431,589	283,907	167,191	108,781
2009	57,146	95,205,128	21,240,160	4,535,545	983,734	634,949	367,840	250,144	152,549	100,712
2010	59,539	123,501,481	27,146,782	5,502,277	1,123,533	711,697	402,300	268,923	160,877	105,095
2011	60,894	106,137,628	25,063,182	5,397,705	1,138,993	726,635	412,763	276,382	165,188	107,722
2012	66,444	160,960,323	36,844,062	7,473,964	1,452,625	898,904	489,555	318,040	184,058	118,133
2013	65,314	122,192,336	27,827,417	5,897,219	1,243,406	793,751	449,616	299,574	177,906	115,616
2014	69,565	148,384,670	34,086,701	7,065,519	1,431,492	901,023	500,260	328,414	191,751	123,451
2015	71,829	152,016,289	35,070,892	7,318,955	1,483,596	933,747	518,192	340,168	198,230	127,447
2016	72,090	145,446,416	32,713,039	6,859,762	1,421,735	903,161	507,468	335,684	197,320	127,472
2017	76,321	178,820,656	39,459,386	8,028,689	1,606,089	1,008,196	557,596	364,349	211,071	135,469

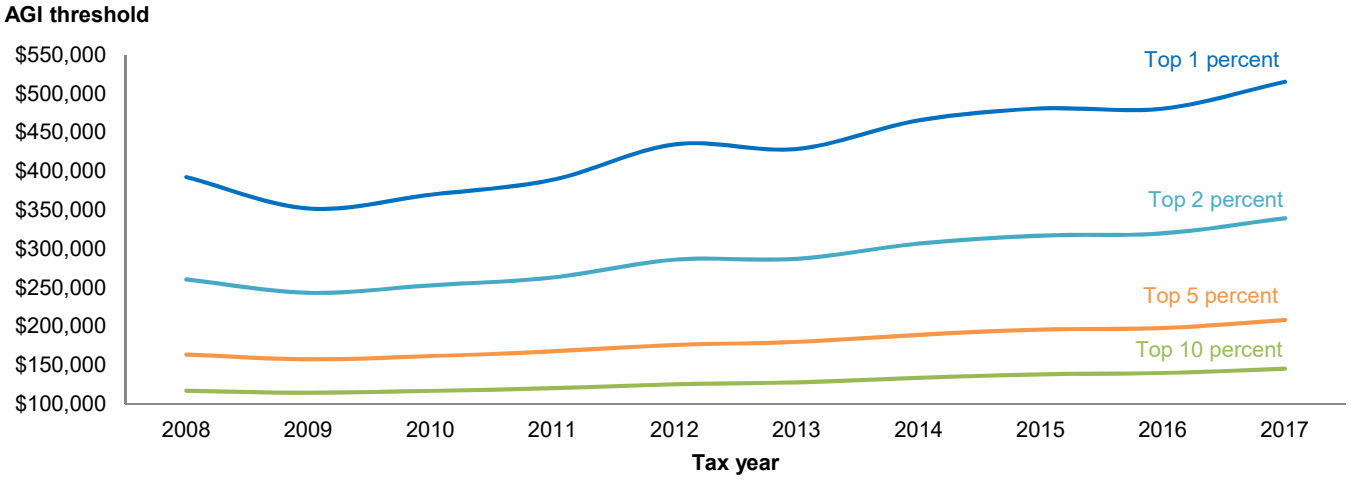
NOTE: Figure is based on all individual income tax returns excluding dependents.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

Figure D
Average Tax Rates for Top Earners, Tax Years 2008–2017



NOTE: Figure is based on all individual income tax returns, excluding dependents.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

Figure E
Adjusted Gross Income (AGI) Thresholds in Current Dollars, Tax Years 2008–2017



NOTES: AGI threshold is the minimum amount of adjusted gross income needed for inclusion in each percentile. Figure is based on all individual income tax returns, excluding dependents.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

in Law" and "Data Sources and Limitations." The statistics are based on a sample of individual income tax returns, selected before audit, which represents the population of Forms 1040, 1040A, and 1040EZ, including electronic returns. The report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified taxable income, tax credits, self-employment tax, and tax payments.

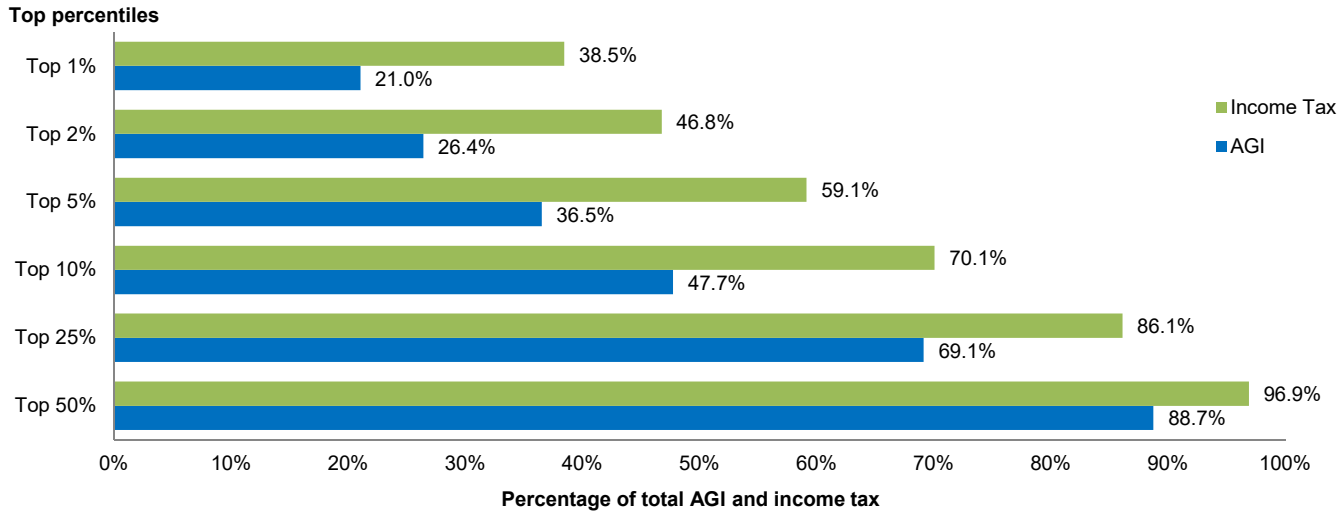
For a detailed description of changes in law that may affect the data in this article, see *Statistics of Income—2017 Individual Income Tax Returns (Complete Report)*, Publication 1304, Section 1. For a detailed description of the data sources and limitations, see Section 6. This report is available for download on the IRS Tax Stats Web page at: https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-returns-publication-1304-complete-report.

Adrian Dungan is an economist with the Individual and Tax-Exempt Branch's Special Studies Section, Statistics of Income Division. Michael Strudler, Initiatives Manager, provided technical assistance and reviewed the article.

Figure F

Percentage of Total Adjusted Gross Income (AGI) and Income Tax by Percentile Thresholds of AGI, Tax Year 2017

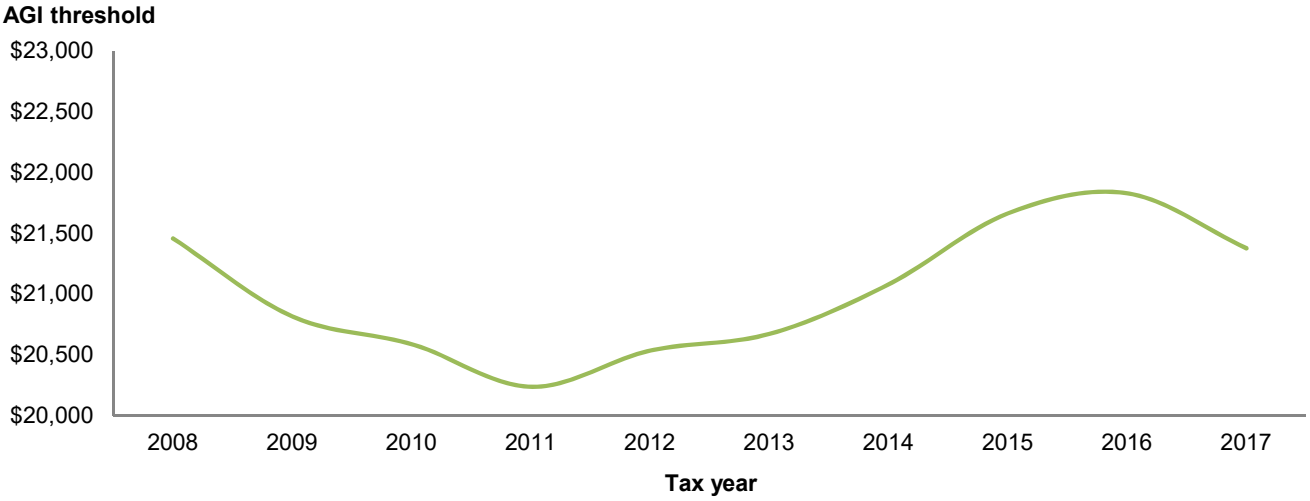
[Money amounts are in current dollars]



NOTE: Figure is based on all individual income tax returns, excluding dependents.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019

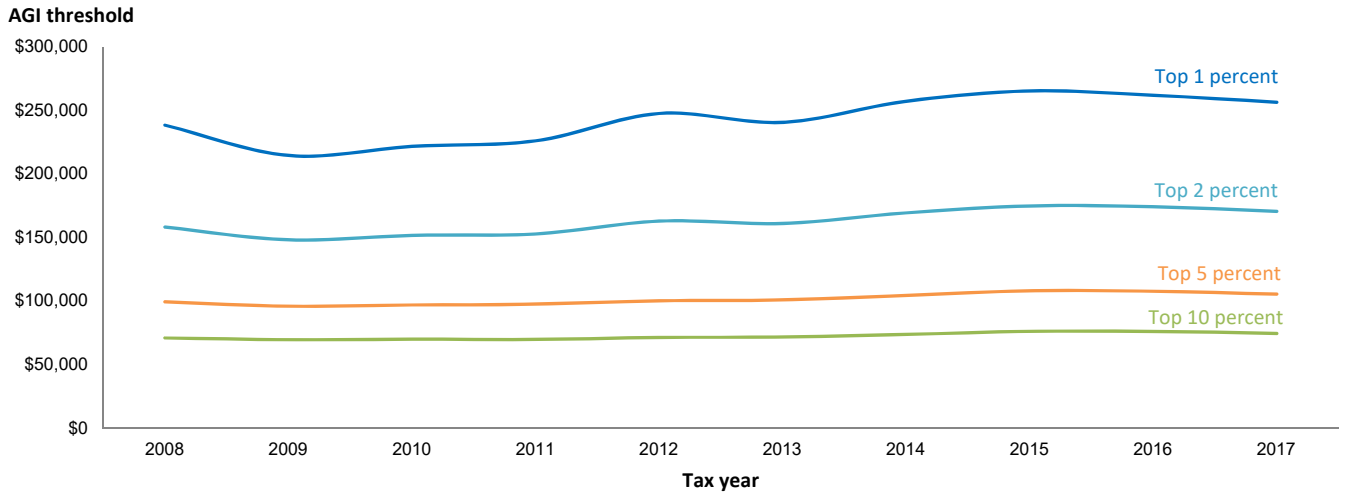
Figure G

Adjusted Gross Income (AGI) Threshold for the Top 50 Percent of Returns in Constant Dollars, Tax Years 2008–2017



NOTES: Constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1990 = 100). For 2017, the CPI-U = 245.120. AGI threshold is the minimum amount of adjusted gross income needed for inclusion in a percentile. Figure is based on all individual income tax returns, excluding dependents.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

Figure H
Adjusted Gross Income (AGI) Thresholds in Constant Dollars, Tax Years 2008–2017



NOTES: Constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1990=100). For 2017 the CPI-U = 245.120. AGI threshold is the minimum amount of adjusted gross income needed for inclusion in each percentile. Figure is based on all individual income tax returns, excluding dependents.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

Table 1. All Individual Returns Excluding Dependent Returns: Number of Returns, Amount and Share of Adjusted Gross Income (AGI) and Total Income Tax, AGI Threshold on Percentiles in Current and Constant Dollars, and Average Tax Rate, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI Using the Definition of AGI for Each Year, Tax Years 2008–2017

[All figures are estimates based on samples]

Tax year	Total	Descending cumulative percentile						
		Top 0.001 percent	Top 0.01 percent	Top 0.1 percent	Top 1 percent	Top 2 percent	Top 3 percent	Top 4 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns [1]:								
2008	132,891,770	1,329	13,289	132,892	1,328,918	2,657,835	3,986,753	5,315,671
2009	132,619,936	1,326	13,262	132,620	1,326,199	2,652,399	3,978,598	5,304,797
2010	135,033,492	1,350	13,503	135,033	1,350,335	2,700,670	4,051,005	5,401,340
2011	136,585,712	1,366	13,659	136,586	1,365,857	2,731,714	4,097,571	5,463,428
2012	136,080,353	1,361	13,608	136,080	1,360,804	2,721,607	4,082,411	5,443,214
2013	138,313,155	1,383	13,831	138,313	1,383,132	2,766,263	4,149,395	5,532,526
2014	139,562,034	1,396	13,956	139,562	1,395,620	2,791,241	4,186,861	5,582,481
2015	141,204,625	1,412	14,120	141,205	1,412,046	2,824,093	4,236,139	5,648,185
2016	140,888,785	1,409	14,089	140,889	1,408,888	2,817,776	4,226,664	5,635,551
2017	143,295,160	1,433	14,330	143,295	1,432,952	2,865,903	4,298,855	5,731,806
Adjusted gross income threshold on percentiles (current dollars):								
2008	N/A	49,546,782	10,097,827	1,867,652	392,513	260,381	209,750	181,624
2009	N/A	34,381,494	7,206,540	1,469,393	351,968	243,096	198,731	174,432
2010	N/A	45,039,369	8,762,618	1,634,386	369,691	252,785	205,942	179,023
2011	N/A	41,965,258	8,830,028	1,717,675	388,905	262,933	213,441	185,812
2012	N/A	62,068,187	12,104,014	2,161,175	434,682	285,908	227,923	196,416
2013	N/A	45,097,112	9,460,540	1,860,848	428,713	287,018	231,507	200,472
2014	N/A	56,981,718	11,407,987	2,136,762	465,626	306,650	245,902	211,261
2015	N/A	59,380,503	11,930,649	2,220,264	480,930	316,913	253,979	218,911
2016	N/A	53,052,900	10,963,921	2,124,117	480,804	319,796	256,673	221,381
2017	N/A	63,430,119	12,899,070	2,374,937	515,371	339,478	271,182	232,955
Adjusted gross income threshold on percentiles (constant dollars) [2]:								
2008	N/A	30,083,049	6,131,043	1,133,972	238,320	158,094	127,353	110,276
2009	N/A	20,951,550	4,391,554	895,425	214,484	148,139	121,104	106,296
2010	N/A	27,002,020	5,253,368	979,848	221,637	151,550	123,466	107,328
2011	N/A	24,384,229	5,130,754	998,068	225,976	152,779	124,021	107,967
2012	N/A	35,346,348	6,892,946	1,230,737	247,541	162,818	129,797	111,854
2013	N/A	25,301,633	5,307,815	1,044,025	240,528	161,031	129,886	112,474
2014	N/A	31,464,229	6,299,275	1,179,880	257,110	169,326	135,782	116,654
2015	N/A	32,752,622	6,580,612	1,224,635	265,268	174,800	140,088	120,745
2016	N/A	28,895,915	5,971,635	1,156,926	261,876	174,181	139,800	120,578
2017	N/A	28,294,880	5,847,425	1,132,862	256,429	170,558	136,892	118,070
Adjusted gross income (millions of dollars):								
2008	8,206,158	173,257	397,957	825,898	1,656,771	2,072,196	2,380,698	2,639,100
2009	7,578,641	126,242	281,687	601,504	1,304,627	1,684,139	1,973,637	2,219,853
2010	8,039,779	166,727	366,563	742,989	1,517,146	1,922,058	2,228,360	2,486,918
2011	8,317,188	144,984	342,338	737,251	1,555,701	1,984,960	2,306,674	2,578,137
2012	9,041,744	219,067	501,374	1,017,057	1,976,738	2,446,464	2,791,205	3,078,337
2013	9,033,840	168,992	384,881	815,662	1,719,794	2,195,723	2,550,046	2,847,179
2014	9,708,663	207,145	475,714	986,078	1,997,819	2,514,973	2,895,712	3,212,471
2015	10,142,620	214,647	495,201	1,033,473	2,094,906	2,636,987	3,034,889	3,366,920
2016	10,156,612	204,934	460,894	966,465	2,003,066	2,544,904	2,946,100	3,280,595
2017	10,936,500	256,250	565,453	1,150,471	2,301,449	2,889,391	3,321,003	3,680,328
Total income tax (millions of dollars) [3]:								
2008	1,028,669	33,136	83,085	187,200	385,857	470,285	523,500	563,684
2009	863,486	26,328	64,253	146,030	313,826	387,828	435,662	472,299
2010	949,144	31,453	76,390	169,734	354,810	436,043	488,303	528,045
2011	1,042,571	26,488	70,545	168,222	365,518	453,679	510,000	553,220
2012	1,184,978	38,563	97,902	220,414	451,328	550,934	613,192	660,121
2013	1,231,911	40,764	100,868	227,623	465,705	567,786	631,900	680,817
2014	1,374,379	49,740	123,288	272,826	542,640	656,229	727,556	780,687
2015	1,454,325	51,375	127,236	283,577	567,697	688,137	763,764	820,335
2016	1,442,385	46,845	115,384	261,423	538,257	658,950	735,763	793,331
2017	1,601,309	61,750	143,024	309,765	615,979	748,944	833,142	895,962

Footnotes at end of table.

Table 1. All Individual Returns Excluding Dependent Returns: Number of Returns, Amount and Share of Adjusted Gross Income (AGI) and Total Income Tax, AGI Threshold on Percentiles in Current and Constant Dollars, and Average Tax Rate, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI Using the Definition of AGI for Each Year, Tax Years 2008–2017—Continued

[All figures are estimates based on samples]

Tax year	Total	Descending cumulative percentile						
		Top 0.001 percent	Top 0.01 percent	Top 0.1 percent	Top 1 percent	Top 2 percent	Top 3 percent	Top 4 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Average tax rate (percentage) [4]:								
2008	12.54	19.13	20.88	22.67	23.29	22.70	21.99	21.36
2009	11.39	20.86	22.81	24.28	24.05	23.03	22.07	21.28
2010	11.81	18.87	20.84	22.84	23.39	22.69	21.91	21.23
2011	12.54	18.27	20.61	22.82	23.50	22.86	22.11	21.46
2012	13.11	17.60	19.53	21.67	22.83	22.52	21.97	21.44
2013	13.64	24.12	26.21	27.91	27.08	25.86	24.78	23.91
2014	14.16	24.01	25.92	27.67	27.16	26.09	25.13	24.30
2015	14.34	23.93	25.69	27.44	27.10	26.10	25.17	24.36
2016	14.20	22.86	25.03	27.05	26.87	25.89	24.97	24.18
2017	14.64	24.10	25.29	26.93	26.76	25.92	25.09	24.34
Adjusted gross income share (percentage):								
2008	100.00	2.11	4.85	10.06	20.19	25.25	29.01	32.16
2009	100.00	1.67	3.72	7.94	17.21	22.22	26.04	29.29
2010	100.00	2.07	4.56	9.24	18.87	23.91	27.72	30.93
2011	100.00	1.74	4.12	8.86	18.70	23.87	27.73	31.00
2012	100.00	2.42	5.55	11.25	21.86	27.06	30.87	34.05
2013	100.00	1.87	4.26	9.03	19.04	24.31	28.23	31.52
2014	100.00	2.13	4.90	10.16	20.58	25.90	29.83	33.09
2015	100.00	2.12	4.88	10.19	20.65	26.00	29.92	33.20
2016	100.00	2.02	4.54	9.52	19.72	25.06	29.01	32.30
2017	100.00	2.34	5.17	10.52	21.04	26.42	30.37	33.65
Total income tax share (percentage):								
2008	100.00	3.22	8.08	18.20	37.51	45.72	50.89	54.80
2009	100.00	3.05	7.44	16.91	36.34	44.91	50.45	54.70
2010	100.00	3.31	8.05	17.88	37.38	45.94	51.45	55.63
2011	100.00	2.54	6.77	16.14	35.06	43.52	48.92	53.06
2012	100.00	3.25	8.26	18.60	38.09	46.49	51.75	55.71
2013	100.00	3.31	8.19	18.48	37.80	46.09	51.29	55.27
2014	100.00	3.62	8.97	19.85	39.48	47.75	52.94	56.80
2015	100.00	3.53	8.75	19.50	39.04	47.32	52.52	56.41
2016	100.00	3.25	8.00	18.12	37.32	45.68	51.01	55.00
2017	100.00	3.86	8.93	19.34	38.47	46.77	52.03	55.95

Footnotes at end of table.

Table 1. All Individual Returns Excluding Dependent Returns: Number of Returns, Amount and Share of Adjusted Gross Income (AGI) and Total Income Tax, AGI Threshold on Percentiles in Current and Constant Dollars, and Average Tax Rate, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI Using the Definition of AGI for Each Year, Tax Years 2008–2017—Continued

[All figures are estimates based on samples]

Tax year	Descending cumulative percentile						
	Top 5 percent	Top 10 percent	Top 20 percent	Top 25 percent	Top 30 percent	Top 40 percent	Top 50 percent
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Number of returns [1]:							
2008	6,644,589	13,289,177	26,578,354	33,222,943	39,867,531	53,156,708	66,445,885
2009	6,630,997	13,261,994	26,523,987	33,154,984	39,785,981	53,047,974	66,309,968
2010	6,751,675	13,503,349	27,006,698	33,758,373	40,510,048	54,013,397	67,516,746
2011	6,829,286	13,658,571	27,317,142	34,146,428	40,975,714	54,634,285	68,292,856
2012	6,804,018	13,608,035	27,216,071	34,020,088	40,824,106	54,432,141	68,040,177
2013	6,915,658	13,831,316	27,662,631	34,578,289	41,493,947	55,325,262	69,156,578
2014	6,978,102	13,956,203	27,912,407	34,890,509	41,868,610	55,824,814	69,781,017
2015	7,060,231	14,120,463	28,240,925	35,301,156	42,361,388	56,481,850	70,602,313
2016	7,044,439	14,088,879	28,177,757	35,222,196	42,266,636	56,355,514	70,444,393
2017	7,164,758	14,329,516	28,659,032	35,823,790	42,988,548	57,318,064	71,647,580
Adjusted gross income threshold on percentiles (current dollars):							
2008	163,512	116,813	80,886	69,813	60,535	46,120	35,340
2009	157,342	114,181	79,237	68,216	58,876	44,529	34,156
2010	161,579	116,623	80,462	69,126	59,512	44,895	34,338
2011	167,728	120,136	82,241	70,492	60,789	45,722	34,823
2012	175,817	125,195	85,440	73,354	63,222	47,475	36,055
2013	179,760	127,695	87,434	74,955	64,650	48,463	36,841
2014	188,996	133,445	90,606	77,714	66,868	50,083	38,173
2015	195,778	138,031	93,212	79,655	68,632	51,571	39,275
2016	197,651	139,713	94,620	80,921	69,581	52,529	40,078
2017	208,053	145,135	97,870	83,682	72,268	54,672	41,740
Adjusted gross income threshold on percentiles (constant dollars) [2]:							
2008	99,279	70,925	49,111	42,388	36,755	28,002	21,457
2009	95,882	69,580	48,286	41,570	35,878	27,135	20,814
2010	96,870	69,918	48,239	41,442	35,679	26,915	20,586
2011	97,460	69,806	47,787	40,960	35,322	26,567	20,234
2012	100,124	71,296	48,656	41,773	36,003	27,036	20,532
2013	100,854	71,643	49,055	42,053	36,272	27,190	20,670
2014	104,360	73,686	50,031	42,912	36,923	27,655	21,078
2015	107,986	76,134	51,413	43,935	37,855	28,445	21,663
2016	107,653	76,096	51,536	44,075	37,898	28,611	21,829
2017	105,414	74,514	50,464	43,158	37,110	28,015	21,375
Adjusted gross income (millions of dollars):							
2008	2,867,730	3,772,889	5,055,298	5,554,583	5,986,923	6,690,342	7,228,036
2009	2,439,146	3,317,402	4,570,256	5,057,761	5,478,063	6,159,780	6,678,194
2010	2,716,199	3,631,364	4,927,262	5,430,952	5,864,278	6,564,169	7,095,680
2011	2,818,879	3,774,978	5,120,188	5,640,585	6,088,552	6,810,489	7,356,627
2012	3,330,944	4,327,899	5,722,980	6,261,677	6,725,553	7,473,507	8,037,800
2013	3,109,388	4,143,498	5,591,750	6,151,678	6,633,611	7,409,491	7,995,603
2014	3,490,867	4,583,416	6,104,146	6,690,287	7,193,799	8,002,581	8,614,544
2015	3,658,556	4,803,327	6,389,094	6,997,737	7,519,683	8,360,826	8,998,075
2016	3,574,828	4,729,405	6,333,469	6,950,051	7,479,129	8,331,664	8,979,705
2017	3,995,037	5,220,949	6,913,130	7,561,368	8,118,508	9,019,611	9,706,054
Total income tax (millions of dollars) [3]:							
2008	597,246	711,873	837,561	880,244	915,035	965,691	996,815
2009	502,274	603,504	712,700	749,022	777,801	818,789	842,286
2010	560,649	670,319	787,407	826,796	858,000	901,560	926,782
2011	588,967	711,663	846,579	892,616	929,529	981,800	1,012,460
2012	698,543	831,445	975,377	1,024,046	1,063,388	1,119,368	1,152,063
2013	721,242	859,863	1,011,220	1,062,798	1,104,510	1,163,238	1,197,603
2014	824,153	974,124	1,137,716	1,192,679	1,236,678	1,299,383	1,336,637
2015	866,447	1,026,601	1,201,501	1,259,698	1,306,271	1,373,073	1,413,200
2016	839,898	1,002,072	1,180,713	1,240,010	1,288,231	1,356,952	1,398,523
2017	946,954	1,122,158	1,314,957	1,378,757	1,430,369	1,505,513	1,551,537

Footnotes at end of table

Table 1. All Individual Returns Excluding Dependent Returns: Number of Returns, Amount and Share of Adjusted Gross Income (AGI) and Total Income Tax, AGI Threshold on Percentiles in Current and Constant Dollars, and Average Tax Rate, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI Using the Definition of AGI for Each Year, Tax Years 2008–2017—Continued

[All figures are estimates based on samples]

Tax year	Descending cumulative percentile						
	Top 5 percent	Top 10 percent	Top 20 percent	Top 25 percent	Top 30 percent	Top 40 percent	Top 50 percent
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Average tax rate (percentage) [4]:							
2008	20.83	18.87	16.57	15.85	15.28	14.43	13.79
2009	20.59	18.19	15.59	14.81	14.20	13.29	12.61
2010	20.64	18.46	15.98	15.22	14.63	13.73	13.06
2011	20.89	18.85	16.53	15.82	15.27	14.42	13.76
2012	20.97	19.21	17.04	16.35	15.81	14.98	14.33
2013	23.20	20.75	18.08	17.28	16.65	15.70	14.98
2014	23.61	21.25	18.64	17.83	17.19	16.24	15.52
2015	23.68	21.37	18.81	18.00	17.37	16.42	15.71
2016	23.49	21.19	18.64	17.84	17.22	16.29	15.57
2017	23.70	21.49	19.02	18.23	17.62	16.69	15.99
Adjusted gross income share (percentage):							
2008	34.95	45.98	61.60	67.69	72.96	81.53	88.08
2009	32.18	43.77	60.30	66.74	72.28	81.28	88.12
2010	33.78	45.17	61.29	67.55	72.94	81.65	88.26
2011	33.89	45.39	61.56	67.82	73.20	81.88	88.45
2012	36.84	47.87	63.30	69.25	74.38	82.66	88.90
2013	34.42	45.87	61.90	68.10	73.43	82.02	88.51
2014	35.96	47.21	62.87	68.91	74.10	82.43	88.73
2015	36.07	47.36	62.99	68.99	74.14	82.43	88.72
2016	35.20	46.56	62.36	68.43	73.64	82.03	88.41
2017	36.53	47.74	63.21	69.14	74.23	82.47	88.75
Total income tax share (percentage):							
2008	58.06	69.20	81.42	85.57	88.95	93.88	96.90
2009	58.17	69.89	82.54	86.74	90.08	94.82	97.54
2010	59.07	70.62	82.96	87.11	90.40	94.99	97.64
2011	56.49	68.26	81.20	85.62	89.16	94.17	97.11
2012	58.95	70.17	82.31	86.42	89.74	94.46	97.22
2013	58.55	69.80	82.09	86.27	89.66	94.43	97.22
2014	59.97	70.88	82.78	86.78	89.98	94.54	97.25
2015	59.58	70.59	82.62	86.62	89.82	94.41	97.17
2016	58.23	69.47	81.86	85.97	89.31	94.08	96.96
2017	59.14	70.08	82.12	86.10	89.33	94.02	96.89

N/A—Not applicable.

[1] 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.

[2] For Table 1, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1990=100). For 2017, the CPI-U = 245.120.

[3] Total income tax was the sum of income tax after credits (including the subtraction of the earned income credit, American opportunity credit, regulated investment credit, health insurance credit, and the refundable prior-year minimum tax credit) limited to zero plus the tax from *Tax on Accumulation Distribution of Trusts* (Form 4970).

[4] The average tax rate was computed by dividing total income tax (see footnote 3) by adjusted gross income.

SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

Table 2. All Individual Income Tax Returns Excluding Dependent Returns: Number of Returns, Amount and Share of Adjusted Gross Income (AGI) and Total Income Tax, and Average Tax Rate, by Selected Ascending Cumulative Percentiles of Returns Based on AGI Using the Definition of AGI for Each Year, Tax Years 2008–2017
[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentile				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns [1]:						
2008	132,891,770	66,445,885	99,668,828	119,602,593	126,247,182	131,562,852
2009	132,619,936	66,309,968	99,464,952	119,357,942	125,988,939	131,293,737
2010	135,033,492	67,516,746	101,275,119	121,530,143	128,281,817	133,683,157
2011	136,585,712	68,292,856	102,439,284	122,927,141	129,756,426	135,219,855
2012	136,080,353	68,040,177	102,060,265	122,472,318	129,276,335	134,719,549
2013	138,313,155	69,156,578	103,734,866	124,481,840	131,397,497	136,930,023
2014	139,562,034	69,781,017	104,671,526	125,605,831	132,583,932	138,166,414
2015	141,204,625	70,602,313	105,903,469	127,084,163	134,144,394	139,792,579
2016	140,888,785	70,444,393	105,666,589	126,799,907	133,844,346	139,479,897
2017	143,295,160	71,647,580	107,471,370	128,965,644	136,130,402	141,862,208
Adjusted gross income (millions of dollars):						
2008	8,206,158	978,122	2,651,575	4,433,269	5,338,428	6,549,387
2009	7,578,641	900,447	2,520,880	4,261,239	5,139,495	6,274,014
2010	8,039,779	944,099	2,608,826	4,408,415	5,323,580	6,522,633
2011	8,317,188	960,561	2,676,602	4,542,210	5,498,309	6,761,487
2012	9,041,744	1,003,944	2,780,067	4,713,845	5,710,800	7,065,006
2013	9,033,840	1,038,237	2,882,162	4,890,343	5,924,452	7,314,046
2014	9,708,663	1,094,119	3,018,376	5,125,247	6,217,796	7,710,844
2015	10,142,620	1,144,545	3,144,883	5,339,293	6,484,064	8,047,714
2016	10,156,612	1,176,907	3,206,562	5,427,208	6,581,784	8,153,546
2017	10,936,500	1,230,446	3,375,132	5,715,551	6,941,463	8,635,051
Total income tax (millions of dollars) [2]:						
2008	1,028,669	31,857	148,425	316,797	431,423	642,812
2009	863,486	21,200	114,465	259,982	361,213	549,660
2010	949,144	22,363	122,347	278,824	388,495	594,333
2011	1,042,571	30,109	149,953	330,907	453,605	677,052
2012	1,184,978	32,915	160,934	353,533	486,435	733,650
2013	1,231,911	34,307	169,113	372,048	510,669	766,206
2014	1,374,379	37,740	181,700	400,255	550,226	831,738
2015	1,454,325	41,125	194,628	427,723	587,879	886,628
2016	1,442,385	43,863	202,378	440,313	602,487	904,128
2017	1,601,309	49,772	222,552	479,151	654,355	985,330
Average tax rate (percentage) [3]:						
2008	12.54	3.26	5.60	7.15	8.08	9.81
2009	11.39	2.35	4.54	6.10	7.03	8.76
2010	11.81	2.37	4.69	6.32	7.30	9.11
2011	12.54	3.13	5.60	7.29	8.25	10.01
2012	13.11	3.28	5.79	7.50	8.52	10.38
2013	13.64	3.30	5.87	7.61	8.62	10.48
2014	14.16	3.45	6.02	7.81	8.85	10.79
2015	14.34	3.59	6.19	8.01	9.07	11.02
2016	14.20	3.73	6.31	8.11	9.15	11.09
2017	14.64	4.05	6.59	8.38	9.43	11.41

Footnotes at end of table.

Table 2. All Individual Income Tax Returns Excluding Dependent Returns: Number of Returns, Amount and Share of Adjusted Gross Income (AGI) and Total Income Tax, and Average Tax Rate, by Selected Ascending Cumulative Percentiles of Returns Based on AGI Using the Definition of AGI for Each Year, Tax Years 2008–2017
[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentile				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income share (percentage):						
2008	100.00	11.92	32.31	54.02	65.05	79.81
2009	100.00	11.88	33.26	56.23	67.82	82.79
2010	100.00	11.74	32.45	54.83	66.22	81.13
2011	100.00	11.55	32.18	54.61	66.11	81.30
2012	100.00	11.10	30.75	52.13	63.16	78.14
2013	100.00	11.49	31.90	54.13	65.58	80.96
2014	100.00	11.27	31.09	52.79	64.04	79.42
2015	100.00	11.28	31.01	52.64	63.93	79.35
2016	100.00	11.59	31.57	53.44	64.80	80.28
2017	100.00	11.25	30.86	52.26	63.47	78.96
Total income tax share (percentage):						
2008	100.00	3.10	14.43	30.80	41.94	62.49
2009	100.00	2.46	13.26	30.11	41.83	63.66
2010	100.00	2.36	12.89	29.38	40.93	62.62
2011	100.00	2.89	14.38	31.74	43.51	64.94
2012	100.00	2.78	13.58	29.83	41.05	61.91
2013	100.00	2.78	13.73	30.20	41.45	62.20
2014	100.00	2.75	13.22	29.12	40.03	60.52
2015	100.00	2.83	13.38	29.41	40.42	60.96
2016	100.00	3.04	14.03	30.53	41.77	62.68
2017	100.00	3.11	13.90	29.92	40.86	61.53

[1] Reserved payment and who had no other reason to file.
[2] Total income tax was the sum of income tax after credits (including the subtraction of the earned income credit, American opportunity credit, regulated investment credit, health insurance credit, and the refundable prior-year minimum tax credit) limited to zero plus the tax from *Tax on Accumulation Distribution of Trusts* (Form 4970).
[3] The average tax rate was computed by dividing total income tax (see footnote 2) by adjusted gross income.
SOURCE: IRS, Statistics of Income Division, Individual Income Tax Shares, November 2019.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017

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

Descending cumulative percentiles	Number of returns	Cutoff for AGI	Adjusted gross income less deficit	Salaries and wages		Taxable interest	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns, total	**143,295,160**	**N/A**	**10,936,500,352**	**117,299,191**	**7,512,807,667**	**43,309,877**	**105,696,000**
.001 percent	1,433	63,430,119	256,249,931	1,082	22,256,495	1,427	9,915,190
.01 percent	14,330	12,899,070	565,452,670	11,548	87,955,507	14,248	19,471,784
.1 percent	143,295	2,374,937	1,150,470,627	117,129	272,685,457	141,029	34,266,018
1 percent	1,432,952	515,371	2,301,449,472	1,220,378	847,202,309	1,333,990	51,472,378
2 percent	2,865,903	339,478	2,889,390,618	2,479,693	1,225,830,235	2,542,684	57,267,542
3 percent	4,298,855	271,182	3,321,003,171	3,751,549	1,517,218,113	3,668,059	60,762,823
4 percent	5,731,806	232,955	3,680,327,594	5,031,863	1,770,714,395	4,747,433	63,242,840
5 percent	7,164,758	208,053	3,995,036,509	6,309,106	1,996,598,917	5,775,233	65,712,293
10 percent	14,329,516	145,135	5,220,948,517	12,601,107	2,891,184,525	10,291,449	72,514,169
20 percent	28,659,032	97,870	6,913,129,990	25,107,069	4,162,791,847	17,743,402	81,097,223
25 percent	35,823,790	83,682	7,561,367,702	31,207,845	4,643,384,888	20,922,440	84,029,195
30 percent	42,988,548	72,268	8,118,508,021	37,332,462	5,062,499,647	23,788,506	86,346,889
40 percent	57,318,064	54,672	9,019,610,806	49,551,860	5,759,066,363	28,417,605	90,320,564
50 percent	71,647,580	41,740	9,706,053,917	62,024,723	6,317,670,366	31,942,034	92,701,792

Footnotes at end of table.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017—Continued

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

Descending cumulative percentiles	Ordinary dividends		Qualified dividends		Sales of capital assets, net gain less loss [1]		Capital gains subject to preferential rates	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All returns, total	**27,305,605**	**280,542,462**	**25,390,726**	**215,481,941**	**17,304,770**	**850,518,966**	**24,619,685**	**992,353,110**
.001 percent	1,402	20,971,066	1,376	17,009,720	1,268	134,120,309	1,405	144,524,799
.01 percent	13,753	40,278,960	13,451	32,339,617	12,183	277,564,539	13,934	295,865,719
.1 percent	131,300	75,116,769	128,199	59,958,104	109,517	446,384,175	133,837	482,183,491
1 percent	1,190,285	128,619,731	1,152,815	102,359,642	922,395	611,756,342	1,215,581	677,242,122
2 percent	2,218,167	149,927,479	2,144,624	119,428,325	1,676,799	659,443,085	2,263,533	738,394,187
3 percent	3,149,191	163,004,296	3,039,983	129,770,149	2,342,732	687,448,701	3,212,188	774,787,160
4 percent	4,018,644	172,972,369	3,872,519	137,562,193	2,939,493	705,525,582	4,094,680	799,352,803
5 percent	4,818,944	180,815,315	4,636,866	143,644,310	3,504,269	719,595,067	4,917,495	819,016,187
10 percent	8,064,588	206,195,062	7,700,299	163,169,572	5,709,086	759,406,260	8,213,271	876,240,168
20 percent	12,819,618	231,570,711	12,132,734	182,006,147	8,732,743	791,758,930	12,938,978	926,152,538
25 percent	14,750,661	240,234,355	13,941,715	188,133,926	9,941,949	801,514,298	14,875,152	942,119,893
30 percent	16,414,139	246,814,540	15,499,042	192,766,488	11,032,065	809,485,609	16,559,279	954,668,193
40 percent	19,153,055	256,082,780	18,002,474	199,222,355	12,713,320	818,154,818	19,223,414	969,916,585
50 percent	21,025,873	261,534,269	19,727,589	202,995,779	13,881,122	823,840,933	21,055,068	979,125,594

Footnotes at end of table.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017—Continued

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

Descending cumulative percentiles	Business or profession (from Schedules C and F)				Partnership and S corporation			
	Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All returns, total	**19,320,308**	**422,724,601**	**7,471,153**	**96,514,851**	**6,187,412**	**832,600,835**	**2,852,567**	**152,831,350**
.001 percent	195	1,768,054	249	423,424	833	59,091,095	524	12,488,685
.01 percent	2,556	4,921,554	1,895	1,617,878	8,497	124,979,205	4,506	23,578,025
.1 percent	26,489	16,610,254	14,240	4,001,665	85,154	286,118,558	32,465	37,276,411
1 percent	281,666	58,790,113	111,103	8,581,110	697,214	550,539,565	192,199	51,672,368
2 percent	566,763	86,674,383	210,674	10,792,974	1,132,118	622,741,528	319,588	56,331,850
3 percent	829,216	106,104,912	313,693	12,642,035	1,479,702	661,271,581	415,066	59,420,217
4 percent	1,077,210	120,621,595	415,341	14,051,735	1,755,244	684,938,533	498,164	61,439,161
5 percent	1,313,072	133,042,293	523,394	15,319,212	1,974,848	700,511,509	579,211	63,043,323
10 percent	2,412,623	173,462,847	1,009,525	20,212,019	2,771,808	745,172,909	883,287	68,443,506
20 percent	4,308,915	220,553,467	1,980,824	28,989,184	3,758,117	779,767,387	1,342,829	74,463,176
25 percent	5,228,428	240,476,863	2,410,076	32,346,771	4,114,263	789,963,595	1,510,136	76,468,501
30 percent	6,064,857	257,139,730	2,822,269	36,284,630	4,396,285	797,375,979	1,660,031	78,336,828
40 percent	7,532,291	284,014,807	3,587,258	42,989,669	4,829,031	807,349,607	1,881,429	81,348,364
50 percent	8,983,357	307,111,980	4,255,848	48,613,519	5,180,714	814,248,280	2,045,327	84,070,255

Footnotes at end of table.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017—Continued

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

Descending cumulative percentiles	Total statutory adjustments		Total standard deduction		Itemized deductions			
					Total		Total taxes paid deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
All returns, total	**38,656,557**	**159,975,712**	**94,607,041**	**863,147,053**	**46,745,648**	**1,400,824,032**	**46,346,678**	**624,502,268**
.001 percent	1,064	983,631	10	108	1,422	43,413,466	1,420	18,219,044
.01 percent	9,914	3,079,940	350	10,425	13,979	82,592,141	13,956	41,553,913
.1 percent	90,636	10,330,310	9,632	144,151	133,661	151,231,035	133,430	87,860,777
1 percent	741,123	33,337,001	107,516	1,351,387	1,325,388	289,802,953	1,323,467	177,587,639
2 percent	1,321,306	45,490,767	172,401	2,127,358	2,693,450	369,906,709	2,690,573	223,363,932
3 percent	1,839,209	53,590,294	242,909	2,960,786	4,055,890	432,899,747	4,052,107	256,523,058
4 percent	2,315,359	59,334,874	344,917	4,230,175	5,386,831	486,388,994	5,382,377	283,805,856
5 percent	2,755,138	63,581,741	466,706	5,772,633	6,697,988	533,482,757	6,692,220	307,396,930
10 percent	5,266,562	79,227,950	1,441,620	18,404,147	12,887,830	721,083,856	12,871,335	394,883,387
20 percent	10,486,593	99,842,738	5,742,134	71,668,483	22,916,818	962,087,145	22,878,174	494,729,603
25 percent	12,600,497	107,520,874	8,935,206	109,375,071	26,887,510	1,047,207,918	26,833,479	525,418,221
30 percent	14,803,375	114,176,462	12,716,475	151,491,611	30,270,999	1,115,429,753	30,208,541	548,375,323
40 percent	18,946,327	124,979,695	21,593,592	242,134,124	35,723,398	1,216,734,894	35,608,021	579,371,569
50 percent	22,821,876	133,791,012	31,976,514	338,110,138	39,669,991	1,283,815,801	39,486,192	597,919,527

Footnotes at end of table.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017—Continued

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

Descending cumulative percentiles	Itemized deductions—continued							
	Total interest paid deduction		Total contributions deduction		Total limited miscellaneous deductions after limitation		Total unlimited miscellaneous deductions [2]	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total	**34,322,522**	**313,918,578**	**37,936,316**	**255,970,824**	**13,223,913**	**120,658,188**	**1,712,522**	**35,183,424**
.001 percent	1,228	2,995,427	1,399	26,529,142	260	1,909,786	743	519,980
.01 percent	11,598	5,607,889	13,660	44,125,203	2,815	4,455,478	5,535	1,539,063
.1 percent	105,663	11,012,025	128,948	66,856,362	26,360	9,501,205	34,192	5,115,261
1 percent	1,043,348	31,476,009	1,253,558	99,893,899	223,948	17,596,964	146,629	11,972,250
2 percent	2,123,360	48,048,474	2,510,154	114,008,763	444,925	21,198,042	215,875	14,780,496
3 percent	3,200,011	62,163,776	3,740,049	124,053,481	682,201	23,994,679	277,795	16,318,514
4 percent	4,277,106	75,154,109	4,945,036	131,871,508	932,094	26,726,324	328,892	17,688,550
5 percent	5,330,538	86,947,391	6,120,638	138,522,807	1,195,386	29,253,453	383,520	18,826,997
10 percent	10,370,346	137,340,555	11,561,949	165,373,188	2,615,633	41,479,124	603,762	22,870,625
20 percent	18,457,310	203,865,773	20,020,602	199,926,468	5,124,394	60,640,108	933,738	26,913,640
25 percent	21,537,271	227,729,051	23,238,859	211,766,909	6,309,646	69,556,081	1,064,326	28,230,624
30 percent	24,087,266	246,666,139	25,904,688	221,182,270	7,370,078	77,282,485	1,181,363	29,822,129
40 percent	27,915,237	272,583,765	30,139,799	235,004,639	9,212,407	91,899,929	1,352,629	31,586,006
50 percent	30,496,227	289,230,892	33,039,869	243,723,699	10,573,591	102,500,832	1,487,016	33,202,238

Footnotes at end of table.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017—Continued

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

Descending cumulative percentiles	Exemptions		Taxable income		Alternative minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)
All returns, total	**292,654,148**	**1,155,477,536**	**114,463,246**	**7,977,363,247**	**5,064,517**	**36,377,428**
.001 percent	3,941	0	** 1,433	212,923,450	495	1,491,109
.01 percent	39,784	0	14,302	483,020,067	4,211	3,095,997
.1 percent	401,480	0	142,990	999,746,365	31,740	5,906,151
1 percent	4,143,729	0	1,430,701	2,011,821,690	567,315	14,523,640
2 percent	8,273,137	4,894,956	2,860,694	2,514,626,481	1,747,602	23,772,706
3 percent	12,304,964	20,388,338	4,291,916	2,867,101,899	2,903,985	29,941,746
4 percent	16,348,160	36,717,064	5,722,817	3,155,487,494	3,723,551	32,642,729
5 percent	20,428,098	53,180,250	7,153,660	3,405,318,617	4,164,307	33,820,278
10 percent	40,070,413	132,642,382	14,306,990	4,353,098,846	4,738,622	35,291,040
20 percent	76,870,166	281,671,053	28,598,155	5,603,707,162	4,970,595	36,001,196
25 percent	93,711,710	349,873,572	35,736,621	6,062,200,123	5,012,897	36,069,436
30 percent	109,877,714	415,339,780	42,874,792	6,444,422,490	5,034,110	36,098,929
40 percent	139,672,150	535,991,840	57,109,034	7,034,945,413	5,056,073	36,126,689
50 percent	167,454,801	648,497,246	71,270,038	7,448,152,628	5,058,628	36,134,166

Footnotes at end of table.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017—Continued

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

Descending cumulative percentiles	Tax credits							
	Total		Foreign tax credit		Child care credit		Nonrefundable education credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)
All returns, total	**45,684,628**	**72,414,097**	**8,491,563**	**21,715,620**	**6,469,236**	**3,718,771**	**8,751,052**	**9,353,087**
.001 percent	1,316	1,959,732	1,240	1,541,646	16	15	0	0
.01 percent	12,615	4,816,469	11,699	3,746,182	248	192	0	0
.1 percent	114,240	10,945,390	103,822	8,520,826	4,344	3,017	0	0
1 percent	931,159	20,390,835	794,194	15,843,842	97,840	60,226	0	0
2 percent	1,616,107	22,563,606	1,335,387	17,389,670	235,380	138,991	0	0
3 percent	2,231,592	23,976,640	1,786,225	18,296,365	379,149	218,700	0	0
4 percent	2,799,093	24,711,159	2,170,236	18,710,736	533,042	305,708	0	0
5 percent	3,321,215	25,373,587	2,504,780	19,073,578	693,847	397,950	0	0
10 percent	6,038,304	28,686,699	3,741,183	20,222,220	1,489,982	859,975	467,883	576,504
20 percent	12,430,650	38,427,132	5,336,133	20,960,991	2,787,122	1,650,139	1,778,473	2,459,999
25 percent	15,386,294	43,204,449	5,954,402	21,161,719	3,288,465	1,950,541	2,348,583	3,176,945
30 percent	18,228,235	47,885,446	6,456,605	21,277,290	3,743,580	2,212,520	2,911,139	3,935,183
40 percent	23,798,156	55,981,087	7,220,483	21,499,137	4,439,655	2,625,839	3,944,145	5,225,957
50 percent	29,285,444	62,474,306	7,714,105	21,606,072	5,058,819	2,986,435	5,075,853	6,527,383

Footnotes at end of table.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017—Continued

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

Descending cumulative percentiles	Tax credits—continued							
	Retirement savings contribution credit		Child tax credit		General business credit		Prior year minimum tax credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)
All returns, total	**8,712,026**	**1,564,066**	**22,075,218**	**26,876,793**	**407,529**	**4,802,029**	**287,435**	**1,037,107**
.001 percent	0	0	0	0	708	333,143	84	46,271
.01 percent	0	0	0	0	5,315	903,090	690	116,426
.1 percent	0	0	0	0	35,695	2,046,086	6,125	281,185
1 percent	0	0	0	0	138,413	3,512,319	69,254	659,283
2 percent	0	0	0	0	173,213	3,861,488	88,821	709,156
3 percent	0	0	0	0	198,334	4,084,112	101,386	748,156
4 percent	0	0	1,051	352	213,965	4,180,444	122,696	789,935
5 percent	0	0	1,667	1,187	228,645	4,251,332	142,973	808,998
10 percent	0	0	314,470	229,458	286,472	4,494,427	211,322	912,879
20 percent	0	0	4,078,986	5,637,540	332,108	4,665,642	250,029	996,267
25 percent	0	0	6,019,506	8,842,952	348,653	4,687,929	257,223	1,005,357
30 percent	0	0	7,992,640	12,120,286	359,942	4,714,178	263,562	1,011,820
40 percent	887,260	150,460	11,575,046	17,743,180	376,426	4,745,662	271,808	1,022,731
50 percent	2,501,335	400,892	14,981,266	21,970,413	394,225	4,771,466	279,359	1,032,851

Footnotes at end of table.

Table 3. All Individual Returns Excluding Dependents: Number of Returns, Shares of Adjusted Gross Income (AGI), Selected Income Items, Credits, Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Expanded Descending Cumulative Percentiles of Returns Based on AGI, Tax Year 2017—Continued

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

Descending cumulative percentiles	Total income tax [3]		Average tax rate (percentage) [4]	Adjusted gross income share (percentage)	Total income tax share (percentage)
	Number of returns	Amount			
	(62)	(63)	(64)	(65)	(66)
All returns, total	**99,369,859**	**1,601,308,997**	**14.64**	**100.00**	**100.00**
.001 percent	** 1,433	61,750,122	24.10	2.34	3.86
.01 percent	14,322	143,024,451	25.29	5.17	8.93
.1 percent	143,164	309,765,482	26.93	10.52	19.34
1 percent	1,431,441	615,979,357	26.76	21.04	38.47
2 percent	2,862,778	748,944,311	25.92	26.42	46.77
3 percent	4,293,864	833,141,598	25.09	30.37	52.03
4 percent	5,724,128	895,961,978	24.34	33.65	55.95
5 percent	7,153,217	946,954,176	23.70	36.53	59.14
10 percent	14,281,555	1,122,157,838	21.49	47.74	70.08
20 percent	28,468,256	1,314,956,646	19.02	63.21	82.12
25 percent	35,495,223	1,378,756,734	18.23	69.14	86.10
30 percent	42,460,934	1,430,369,418	17.62	74.23	89.33
40 percent	55,927,791	1,505,513,060	16.69	82.47	94.02
50 percent	68,312,142	1,551,537,240	15.99	88.75	96.89

N/A—Not applicable.
** Return frequency rounded to protect the confidentiality of tax return information.
[1] Includes capital gain distributions reported on Form 1040.
[2] Limited miscellaneous deductions included deductions that were limited to the amount that exceeded 2 percent of adjusted gross income (for TY 2017, Schedule A, line 27), while unlimited miscellaneous deductions were fully deductible (for TY 2017, Schedule A, line 28).
[3] Total income tax was the sum of income tax after credits (including the subtraction of excess advance premium tax credit repayment, the earned income credit, American opportunity credit, and the regulated investment credit credit) limited to zero plus net investment income tax from *Net Investment Income Tax—Individuals, Estates, and Trusts* (Form 8960) and the tax from *Tax on Accumulation Distribution of Trusts* (Form 4970).
[4] The average tax rate was computed by dividing total income tax (see footnote 3) by adjusted gross income.
NOTE: The definitions for items used in the table can be found in Publication 1304, *Statistics of Income Individual Income Tax Returns,* Section 5, at the following link: https://www.irs.gov/pub/irs-soi/17inexplanationofterms.pdf. Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division, October 2019.

Foreign Recipients of U.S. Income, Calendar Year 2017

by Scott Luttrell

U.S.-source income payments to foreign persons, as reported on *Foreign Person's U.S.-Source Income Subject to Withholding* (Form 1042-S), rose to $882.1 billion for Calendar Year 2017. This represents an increase of 3.4 percent from 2016. Withholding taxes on this income rose by just 0.2 percent as 86.5 percent of all U.S.-source income paid to foreign persons was exempt from withholding tax. Taxes on the residual U.S.-source income subject to tax were withheld at an average rate of 16.4 percent.

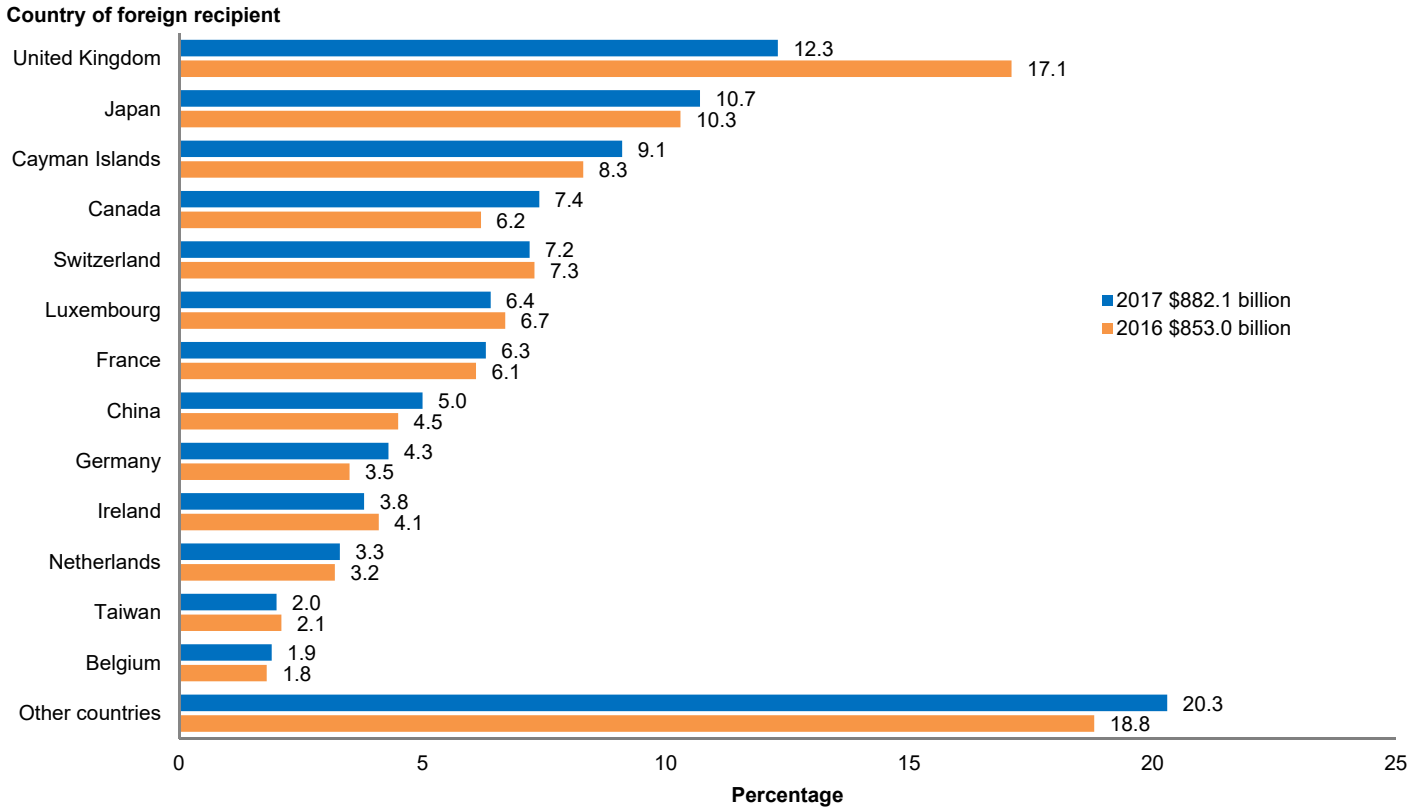
Entities such as financial institutions, businesses, and academic institutions that report U.S. payments to nonresident aliens are considered withholding agents. The Internal Revenue Code (IRC) requires withholding agents to withhold tax from U.S.-source fixed, determinable, annual, or periodic (FDAP) income paid to foreign persons. This is commonly referred to as Chapter 3 withholding or nonresident alien (NRA) withholding. The withholding agent is required to report aggregate U.S.-source FDAP payments made and any associated tax withheld in a calendar year on *Annual Withholding Tax Return for U.S.-Source Income of Foreign Persons* (Form 1042). Furthermore, payments to foreign recipients are reported to the IRS on Form 1042-S; a copy is provided to the payee. Form 1042-S is used to report many types of income, including, but not limited to, interest, rents, royalties, corporate distributions, pension income, and gambling winnings.

Data Overview for 2017

In Calendar Year 2017, the majority of U.S.-source income paid to foreign persons (79.7 percent) was paid to persons in just 13 countries (Figure A1). Foreign persons from the United

Figure A1

Percentage of Total U.S.-Source Income Paid to Foreign Persons Under Chapter 3, as Reported on Form 1042-S, by Country of Foreign Recipient, Calendar Years 2016 and 2017



NOTE: U.S.-source income paid to foreign persons is reported on *Foreign Person's U.S.-Source Income Subject to Withholding* (Form 1042-S).
SOURCE: IRS, Statistics of Income Division, Individuals, Withholding on Foreign Recipients of U.S. Income, October 2019.

Kingdom received $108.2 billion (12.3 percent of the total) in U.S.-source income payments, a decrease of 25.8 percent from 2016. Despite this decrease, recipients from the United Kingdom received nearly $14.0 billion more than any other country. United Kingdom corporations received 15.6 percent of all payments to corporate recipients. Japanese recipients of U.S.-source income collected $94.2 billion (10.7 percent), an increase of 10.9 percent from 2016. Recipients from the Cayman Islands collected $80.7 billion (9.1 percent) and Canadian recipients collected $65.1 billion (7.4 percent). In addition, recipients from Switzerland ($63.9 billion), Luxembourg ($56.0 billion), France ($55.7 billion), and China ($44.2 billion) each accounted for at least 5.0 percent of U.S.-source income paid to foreign persons in 2017.

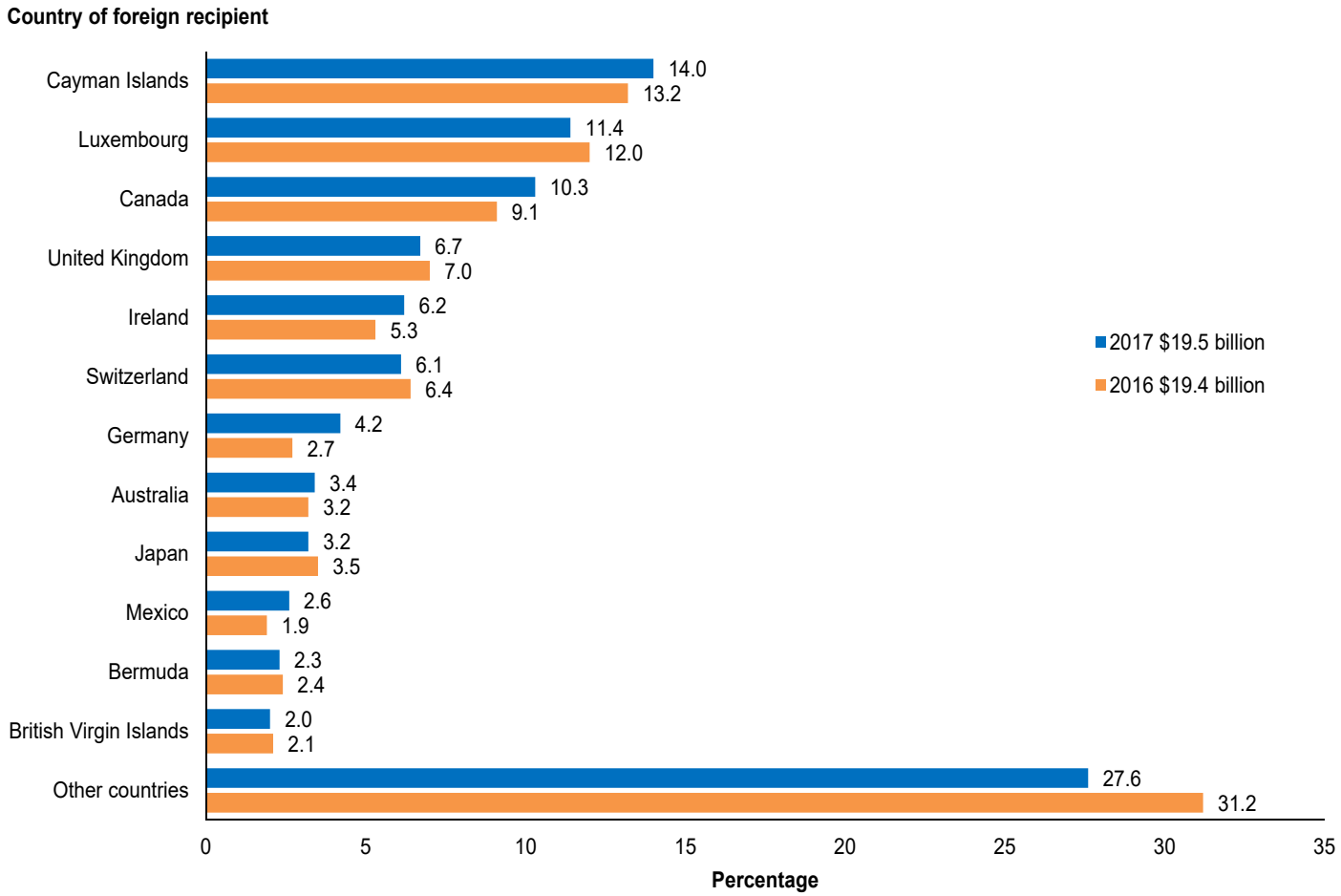
Foreign recipients located in the 12 countries displayed in Figure A2, combined, paid $13.3 billion in withholding taxes (72.4 percent of the total) in 2017. Recipients in the Cayman Islands paid $2.6 billion in withholding taxes (14.0 percent of the total), the most of any country, which was an increase of 6.2 percent from 2016. Recipients from Luxembourg paid nearly $2.1 billion in withholding taxes (11.4 percent of the total), a decrease of 4.7 percent from the previous year.

Treaty vs. nontreaty countries

One of the primary reasons behind relatively low withholding tax rates on payments of U.S.-source income to foreign persons is reciprocal tax treaties. Some 66 countries had treaties in force with the United States (Table 1) in 2017. Nearly 75.6 percent of all payments reported on Form 1042-S went to recipients in treaty countries during 2017. Foreign recipients from tax treaty countries received 79.2 percent of total U.S. income paid to foreign persons and paid 67.8 percent of all withholding taxes on foreign-source income. Canadian recipients had the largest amount of U.S.-source income subject to tax among all treaty

Figure A2

Percentage of Total Taxes Withheld on U.S.-Source Income Paid to Foreign Persons Under Chapter 3, as Reported on Form 1042-S, by Country of Foreign Recipient, Calendar Years 2016 and 2017



NOTE: U.S.-source income paid to foreign persons is reported on *Foreign Person's U.S.-Source Income Subject to Withholding* (Form 1042-S).
SOURCE: IRS, Statistics of Income Division, Individuals, Withholding on Foreign Recipients of U.S. Income, October 2019.

countries and paid 9.8 percent of the total withholding taxes. Recipients from the United Kingdom paid $1.2 billion (6.3 percent) in withholding taxes in 2017. Recipients of U.S. income payments subject to withholding from treaty countries had taxes withheld at an average rate of 14.0 percent, compared to 25.7 percent on payments made to residents of nontreaty countries.

Residents in 14 nontreaty jurisdictions received more than $1 billion of U.S.-source income in 2017: the Bahamas, Bermuda, Brazil, the British Virgin Islands, the Cayman Islands, Chile, Guernsey, Hong Kong, Jersey, Kuwait, Saudi Arabia, Singapore, Taiwan, and the United Arab Emirates. All nontreaty countries combined accounted for $183.7 billion of the total U.S.-source income received and $6.3 billion of the total tax withheld for the year.

Types of U.S.-source income

The primary types of U.S.-source income paid to foreign recipients reported on Form 1042-S in 2017 were consistent with previous years (Figure B). Interest payments totaled $457.1 billion, which was an increase of 11.0 percent from 2016, and accounted for 51.8 percent of total gross income. Dividends paid to foreign persons rose by 3.8 percent to $185.1 billion, and accounted for 21.0 percent of total gross income. Payments of rents and royalties to foreign persons totaled $63.9 billion or 7.2 percent of total gross income. Notional principal contract income totaled $37.3 billion in 2017 and was the only major income category that declined from 2016. (See the Explanation of Selected Terms section of this article for a definition of notional principal contract.)

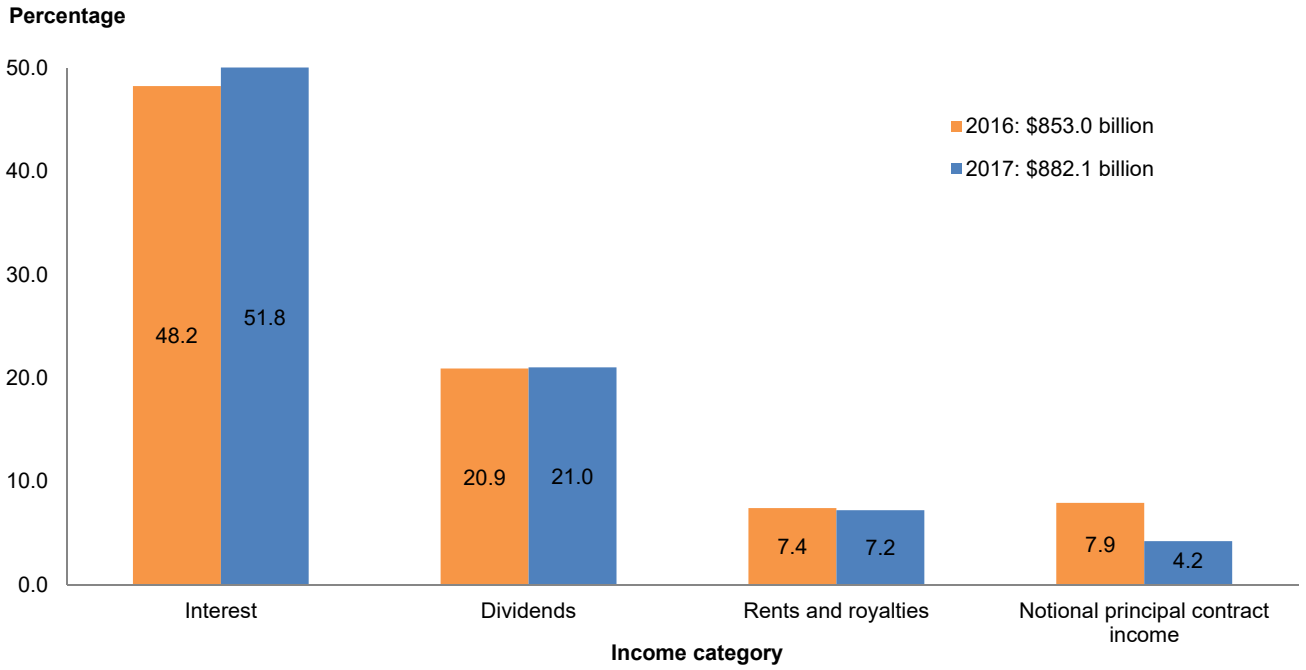
Income subject to withholding

U.S.-source payments to foreign persons are commonly exempt from withholding tax. The primary reason for this is either a tax treaty between the United States and the recipient's country of residence or the specific type of income (portfolio or bank deposit interest, for instance) is exempt under an Internal Revenue Code section. Income effectively connected with a U.S. trade or business is also exempt from withholding. However, over $118.7 billion (13.5 percent) of total U.S.-source income payments to foreign persons was subject to tax in 2017.

Figure C presents the percentages of U.S.-source income paid to foreign persons and income subject to withholding by income category in 2017. This figure illustrates the differences that exist with respect to the taxation of certain types of income. For example, dividends comprised a majority (77.2 percent) of income subject to tax, despite accounting for only 21.0 percent of total income. Dividend income subject to withholding was taxed at an average effective rate of 16.8 percent. While dividends are taxed at comparatively high rates, interest is much more likely to be exempt from withholding. For 2017, interest payments constituted the largest share of total income (51.8 percent) but made up only 8.8 percent of all U.S.-source income subject to

Figure B

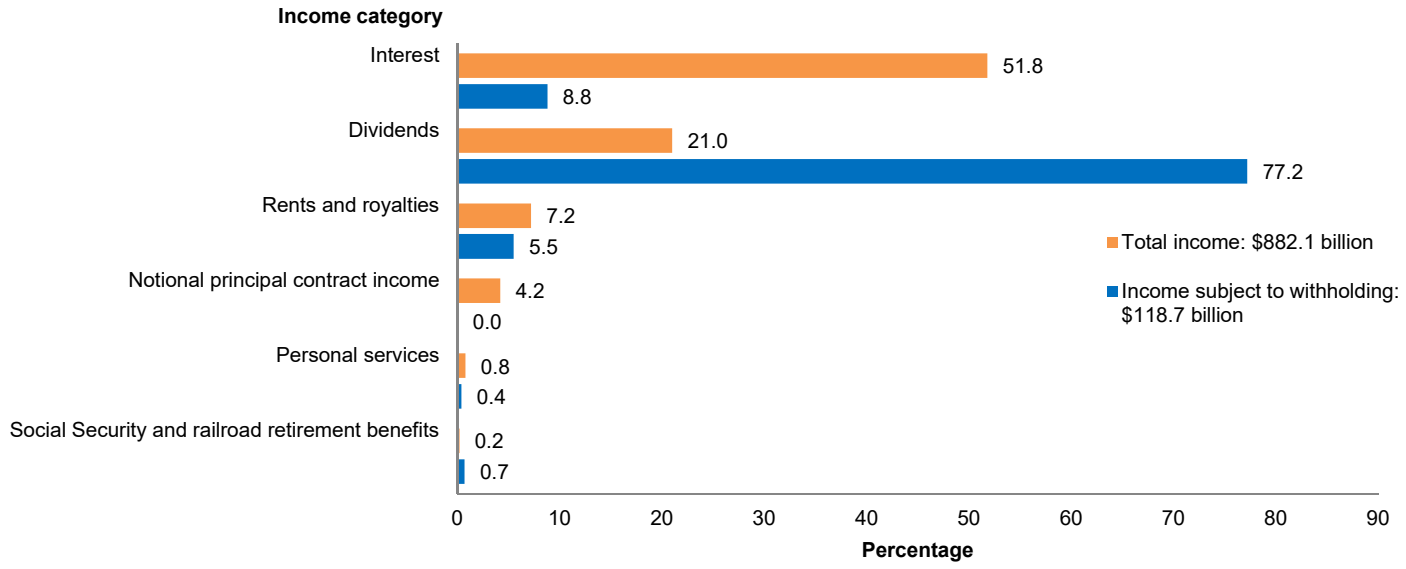
Percentage of Total U.S.-Source Income Paid to Foreign Persons Under Chapter 3, as Reported on Form 1042-S, by Selected Income Category, Calendar Years 2016 and 2017



NOTE: U.S.-source income paid to foreign persons is reported on *Foreign Person's U.S.-Source Income Subject to Withhodling* (Form 1042-S).
SOURCE: IRS, Statistics of Income Division, Individuals, Withholding on Foreign Recipients of U.S. Income, October 2019.

Figure C

Percentage of Total U.S.-Source Income Paid to Foreign Persons Under Chapter 3, as Reported on Form 1042-S, by Selected Income Category, Calendar Year 2017



NOTE: U.S.-source income paid to foreign persons is reported *on Foreign Person's U.S.-Source Income Subject to Withholding* (Form 1042-S).
SOURCE: IRS, Statistics of Income Division, Individuals, Withholding on Foreign Recipients of U.S. Income, October 2019.

withholding. Furthermore, a mere 2.3 percent of interest income was subject to withholding; it was taxed at an average rate of 7.9 percent. Notional principal contract income accounts for 4.2 percent of U.S.-source income paid to foreign persons; however, it is not generally subject to withholding tax. Rents and royalty payments are more likely to be taxed, and they accounted for 7.2 percent of all U.S.-source income and 5.5 percent of income subject to withholding.

Additional Foreign Income and Withholding Data

While the majority of U.S. income paid to foreign recipients is subject to withholding under Chapter 3 of the IRC and is reported on Form 1042-S, information from other tax forms is useful for providing a comprehensive look at withholding tax of foreign persons' U.S. income.

Foreign partner's partnership income

U.S.-partnership income that is allocable to foreign partners is reported on *Foreign Partner's Information Statement of Section 1446 Withholding Tax* (Form 8805). Partnerships are required to withhold income tax on effectively connected taxable income deemed allocable to foreign partners. A U.S. or foreign partnership files Form 8805 to show the amount of taxable income and total tax allocable to the foreign partner for the partnership's tax year. For tax years beginning on or before December 31, 2017, the statutory withholding rate for partnership income allocable to corporate foreign partners was 35 percent; 39.6 percent for noncorporate partners.[1] Reduced withholding rates may apply if the foreign partner is an individual and the specific type of income is among income that is subject to preferential rates. These types of income include capital gains, depreciation recapture, and collectibles gains.

Sales of U.S. real property

Another tax form that provides information about withholding on foreign persons' U.S. income is *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests* (Form 8288-A). The Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) was introduced to ensure that the United States collected a portion of the capital gains realized by foreigners from the sales of U.S. real property interests. Form 8288-A is used to report the sales price of U.S. real property sold by the foreign person and the tax withheld on that sales price. Typically, the sales price is subject to 15-percent withholding, although corporations may be taxed at rates up to 35 percent in certain circumstances.[2] In some instances, the seller may elect to pay a 35-percent tax on the capital gain rather than a 15-percent withholding tax on the sales price.[3] When a foreign person sells real property interests in the United States, the buyer of the property is responsible for collecting and remitting to the IRS the appropriate amount of withholding and filing the necessary tax forms.

[1] For tax years beginning after December 31, 2017, the statutory rate for foreign corporate partners decreased to 21 percent; 37 percent for noncorporate foreign partners.
[2] The withholding rate increased from 10 percent to 15 percent for sales occurring on or after February 16, 2016.
[3] This rate decreased from 35 percent to 21 percent for distributions made after December 31, 2017.

Branch profits tax

A withholding tax equivalent on a foreign person's U.S. income in the form of a branch profits tax is reported on *U.S. Income Tax Return of a Foreign Corporation* (Form 1120-F). The branch profits tax was created to achieve neutrality for foreign investments in the United States through a U.S. branch or a U.S. subsidiary of a foreign parent corporation. While dividends paid by a U.S. subsidiary to its foreign parent corporation are subject to a 30-percent (or lower) withholding tax, profits of a U.S branch of a foreign parent would not be subject to an equivalent tax absent the branch profits tax. The amount of income remitted by the U.S. branch to its foreign owner, known as the dividend equivalent amount, is reported on Form 1120-F, along with the associated tax on that amount (i.e., branch profits tax).

Effective withholding tax rates

The combined withholding tax on U.S.-source income paid to foreign persons for 2017 was $24.7 billion, with an average effective tax rate of 17.4 percent (Figure D). The effective withholding rates vary widely among the various tax forms. U.S.

Figure D

U.S.-Source Income Payments to Foreign Persons: Number of Forms, Income, Tax Withheld, and Effective Tax Rate, by Form Type and Selected Country of Foreign Recipient, Calendar Year 2017

Form type and selected country	All payments		Payments subject to withholding tax			
	Total number of forms	Income (less loss)	Number of forms [1]	Income [2]	U.S. tax withheld	Effective tax rate [3]
	(1)	(2)	(3)	(4)	(5)	(6)
All forms	**6,162,057**	**904,613,355**	**3,460,203**	**142,306,276**	**24,727,206**	**17.4**
Form 1042-S: All countries [4]	**5,963,143**	**882,114,975**	**3,275,037**	**118,743,768**	**19,460,085**	**16.4**
United Kingdom	567,774	108,168,066	314,267	10,717,323	1,224,376	11.4
Japan	272,563	94,170,504	79,689	6,085,184	582,726	9.6
Cayman Islands	139,893	80,675,814	34,312	9,830,883	2,569,255	26.1
Canada	747,135	65,115,684	449,096	14,767,805	1,900,372	12.9
Switzerland	81,405	63,865,610	39,849	11,983,183	1,128,382	9.4
Luxembourg	25,666	56,046,471	8,600	7,552,675	2,097,622	27.8
France	106,692	55,700,556	60,862	1,767,757	337,030	19.1
China	341,028	44,150,637	117,157	1,102,869	123,385	11.2
Germany	390,593	37,595,424	178,588	7,270,794	771,536	10.6
Ireland	85,424	33,929,856	50,626	5,461,175	1,133,772	20.8
Netherlands	80,725	29,354,183	39,028	2,130,629	226,192	10.6
Taiwan	149,792	17,676,614	95,785	1,070,598	246,876	23.1
Belgium	39,833	16,388,655	25,387	2,188,473	444,472	20.3
Singapore	114,556	12,623,202	77,660	877,247	252,479	28.8
Australia	286,508	11,396,493	235,351	4,799,746	625,571	13.0
South Korea	55,418	10,705,631	33,243	2,615,740	390,669	14.9
Bermuda	20,208	10,430,331	7,500	1,456,207	426,763	29.3
Form 8805: All countries [5]	**160,552**	**8,969,338**	**147,742**	**10,924,461**	**3,653,262**	**33.4**
United Kingdom	9,156	1,528,460	6,854	1,664,648	606,753	36.4
Germany	58,688	1,162,020	58,098	1,292,377	452,767	35.0
Canada	12,740	836,817	10,709	1,058,634	325,006	30.7
Cayman Islands	1,869	588,529	1,164	775,670	261,229	33.7
Netherlands	1,586	248,189	1,347	298,757	88,105	29.5
Denmark	436	243,758	302	337,809	88,361	26.2
Hong Kong	2,212	235,732	1,542	257,370	82,827	32.2
Israel	6,351	226,138	6,234	229,051	58,331	25.5
Australia	1,659	215,024	1,337	286,201	97,524	34.1
Form 8288-A: All countries	**35,354**	**10,978,659**	**35,354**	**10,978,659**	**1,332,719**	**12.1**
Canada	9,672	2,354,265	9,672	2,354,265	253,623	10.8
United Kingdom	2,590	1,121,536	2,590	1,121,536	131,388	11.7
Germany	9,180	765,451	9,180	765,451	100,042	13.1
Sweden	187	631,107	187	631,107	93,189	14.8
China	694	425,889	694	425,889	54,840	12.9
Japan	1,754	407,490	1,754	407,490	53,281	13.1
Cayman Islands	172	394,266	172	394,266	54,979	13.9
British Virgin Islands	117	332,389	117	332,389	43,353	13.0
Form 1120-F: Reporting branch profits tax	**3,008**	**2,550,383**	**2,070**	**1,659,388**	**281,140**	**16.9**

[1] Number of forms in this column includes returns with income subject to taxation for Form 1042-S; positive income (excluding losses) for Form 8805; sales revenue for Form 8288-A; and branch profits tax for Form 1120-F.
[2] Amounts in this column represent income subject to taxation for Form 1042-S; positive income (excluding losses) for Form 8805; sales revenue for Form 8288-A; and dividend equivalent amount subject to taxation for Form 1120-F.
[3] U.S. tax withheld (column 5) divided by income (column 4).
[4] Amounts shown are subject to withholding under Chapter 3; Chapter 4 amounts are shown separately in Table 3.
[5] Income (less loss) for all payments (column 2) is less than income on payments subject to tax (column 4) because column 2 includes forms with losses.
NOTE: The titles of the forms are: Form 1042-S, *Foreign Person's U.S.-Source Income Subject to Withholding;* Form 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax;* Form 8288-A, *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests;* and Form 1120-F, *U.S. Income Tax Return of a Foreign Corporation.*
SOURCE: IRS, Statistics of Income Division, Foreign Recipients of U.S. Income, August 2020.

partnership income allocable to foreign partners is subject to significantly higher rates of withholding than other types of U.S. income because it is not typically reduced by tax treaties and is far more likely to be taxed near the statutory tax rate. For 2017, the average effective withholding rate on U.S. partnership distributions to foreign partners was 33.4 percent. The 12.1-percent withholding rate on income from the sale of U.S. real property interests is comparatively low because the statutory rate for this type of income is just 15 percent. The average effective rate on foreign branch profits (16.9 percent) reported on Form 1120-F was less than the 30-percent statutory rate because recipients frequently qualify for reduced rates through tax treaties.

Real property sales

The eight States with the most U.S. real property interest sales in 2017 made up 61.6 percent of all transactions, 80.8 percent of the total sales revenue, and 78.6 percent of taxes withheld (Figure E). The largest number of real property sales occurred in Florida. In fact, Florida had more than the other top seven States combined in 2017. New York had the highest sales revenue (nearly $1.27 million) per transaction, followed by California ($0.90 million) and Massachusetts ($0.83 million). Many real property sales could not be assigned to a specific State for reasons including: the real property transaction involved the transfer of stock in a portfolio of real estate holdings not specific to a geographic area; or the transaction involved the sale of an ownership interest in an entity that controlled real estate in multiple locations in the United States.

Figure E

U.S. Real Property Interests Sold by Foreign Persons: Number of Forms 8288-A Filed, Total Sales Revenue, and Tax Withheld, by State Location of the Property, Calendar Year 2017

[Money amounts are in thousands of dollars]

State location of real property	Total number of forms	Total sales revenue	U.S. tax withheld
	(1)	(2)	(3)
Total	**35,354**	**10,978,659**	**1,332,719**
Florida	12,568	3,035,210	318,661
California	2,596	2,339,868	295,289
New York	992	1,259,723	143,846
Texas	1,117	717,095	95,143
Hawaii	2,018	514,167	72,611
Washington	784	397,917	54,618
Arizona	1,425	386,734	37,447
Massachusetts	262	217,124	30,252
All others and nonallocable	13,592	2,110,821	284,852

NOTE: Form 8288-A, *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests,* is filed by the buyer of U.S. real property sold by foreign persons. The buyer must withhold tax in accordance with Internal Revenue Code section 1445. These data were not previously available on the IRS Tax Statistics Web site.
SOURCE: IRS, Statistics of Income Division, Foreign Recipients of U.S. Income, August 2020.

Withholding Under Chapter 4

The Foreign Account Tax Compliance Act (FATCA) became U.S. Federal law in 2010 as part of the Hiring Incentives to Restore Employment (HIRE) Act. Under FATCA, foreign financial institutions and certain other nonfinancial foreign entities are required to report on the foreign assets held by their U.S. account holders or be subject to withholding on withholdable payments. FATCA requires U.S. withholding agents to withhold tax on: (a) certain payments to foreign financial institutions (FFIs) that do not agree to report particular information to the IRS regarding their U.S. account; and (b) certain payments to particular nonfinancial foreign entities (NFFEs) that do not provide information on their substantial U.S. owners to withholding agents. Payments subject to withholding under FATCA are subject to the laws of Chapter 4 of the IRC, which were implemented beginning July 1, 2014.

Some 36.6 percent of the U.S.-source income reported under Chapter 4 was subject to withholding (Table 3), and the average withholding rate for these payments was 20.0 percent. Interest was the largest category of Chapter 4 income ($2.2 billion), and most of that (82.6 percent) was exempt from withholding. Dividends accounted for 60.5 percent of Chapter 4 income subject to withholding while interest payments accounted for 17.8 percent. Tax withheld on dividends (62.1 percent) and interest (20.1 percent) comprised the majority of tax withheld on Chapter 4 payments.

Data Sources and Limitations

Because the populations of Forms 1042-S, 8805, and 8288-A were used for the statistics in this article, the data are not subject to sampling error. However, the data are subject to nonsampling error, including data entry and taxpayer reporting errors. Because the data were tested and adjusted to ensure that certain basic mathematical relationships held, as well as the calculation of the correct tax withheld, the possibility of error cannot be completely eliminated.

The Form 1120-F statistics in this article are based on information reported on Form 1120-F corporation income tax returns that were included in the 2017 Statistics of Income sample of corporate returns. Because the estimates are based on a sample, they are subject to sampling error.[4]

Form 1042-S

Payers (or their authorized withholding agents) of most U.S.-source income to foreign persons must withhold tax in accordance with Internal Revenue Code section 1441. *Foreign Person's U.S.-Source Income Subject to Withholding* (Form 1042-S) is filed by the payer to report this income and the U.S. tax withheld. Often a financial institution acts as the payer's withholding agent. The statistics in this data release were tabulated by calendar year, using all Forms 1042-S filed with the Internal Revenue Service during 2017. The data reflect the income that was paid and U.S. tax that was withheld for 2017.

[4] For a more complete description of the SOI Corporate Sample, see https://www.irs.gov/pub/irs-pdf/p16.pdf#page=10.

Form 8805

Domestic partnerships (or their authorized withholding agents) must withhold tax in accordance with Internal Revenue Code section 1446 on distributions made to foreign partners. *Foreign Partner's Information Statement of Section 1446 Withholding Tax* (Form 8805) is filed by the payer to report income paid by U.S. partnerships to their foreign partners and the U.S. tax withheld. The statistics in this data release were tabulated by calendar year using all Forms 8805 filed with the Internal Revenue Service during 2017. The data reflect both the income paid and U.S. tax withheld for 2017.

Form 8288-A

Purchasers of U.S. real property held by foreign persons must withhold tax in accordance with Internal Revenue Code section 1445. *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests* (Form 8288-A) is filed by the buyer of U.S. real property sold by foreign persons. The statistics in this data release were tabulated by calendar year using all Forms 8288-A filed with the Internal Revenue Service with a date of transfer occurring during 2017.

Form 1120-F

In accordance with section 884(a), the Internal Revenue Code imposes a 30-percent branch-profits tax on after-tax earnings of a foreign corporation's U.S. trade or business that are not reinvested in a U.S. trade or business by the close of the tax year or are disinvested in a later tax year. *U.S. Income Tax Return of a Foreign Corporation* (Form 1120-F) is filed by the foreign corporation. The statistics in this data release were tabulated based upon all Forms 1120-F included in the Tax Year 2017 SOI Corporation sample.

Explanation of Selected Terms

Foreign persons—For purposes of this data release, foreign persons include: (a) individuals whose residence is not within the United States and who are not U.S. citizens (i.e., nonresident aliens); and (b) corporations and other organizations (including partnerships, private foundations, estates, and trusts) created or organized outside the United States. Individuals residing, and organizations created or organized, in Puerto Rico and U.S. possessions are also considered foreign persons.

Notional principal contract income—Notional principal contracts involve two parties who agree contractually to pay each other amounts at specified times based on the underlying notional amount. The underlying amount is notional because neither party to the notional principal contract is required to actually hold the property comprising the underlying amount. It is an amount specified in the contract, and, based on that amount, certain calculations are made. Generally, when amounts under the contract are due at the same time, they are netted and only one payment is made. Notional principal contract income is not subject to withholding but must be reported on Form 1042-S, if the income was effectively connected with the conduct of a trade or business in the United States. Notional principal contracts are used by financial institutions to reduce the risk of changes in interest rates, commodity prices, and currency exchange rates. Interest rate swaps, currency swaps, and equity swaps are examples of notional principal contracts.

Withholding rate pool—A withholding rate pool is a payment of a single type of income, determined in accordance with the categories of income reported on Form 1042-S that is subject to a single rate of withholding.

U.S. branch treated as U.S. person—The following types of U.S. branches (of foreign entities) may reach an agreement with a withholding agent to treat a branch as a U.S. person: (a) a U.S. branch of a foreign bank subject to regulatory supervision by the Federal Reserve Board; or (b) a U.S. branch of a foreign insurance company required to file an annual statement on a form approved by the National Association of Insurance Commissioners with the Insurance Department of a State, Territory, or the District of Columbia.

Scott Luttrell is an economist with the International Returns Analysis Section, Corporation, Partnership, & International Branch. This data release was prepared under the direction of Chris Carson, Chief.

Table 1. Foreign Recipients of U.S. Income Under Chapter 3 Withholding: Number of Forms 1042-S, Total U.S.-Source Income, and U.S. Tax Withheld, by Total Tax Treaty Countries and Non-Tax Treaty Countries, Calendar Year 2017
[Money amounts are in thousands of dollars]

Treaty status and country	Number of Forms 1042-S	U.S.-source income			U.S. tax withheld
		Total	Exempt from withholding	Subject to withholding	
	(1)	(2)	(3)	(4)	(5)
Total	**5,963,143**	**882,114,975**	**763,371,207**	**118,743,768**	**19,460,085**
Tax treaty countries, total	**4,509,811**	**698,444,531**	**604,084,322**	**94,360,209**	**13,184,659**
Armenia	1,362	9,682	7,811	1,872	449
Australia [1]	286,800	11,398,750	6,598,157	4,800,593	625,735
Austria	28,160	2,241,691	1,113,438	1,128,253	99,495
Azerbaijan	833	2,539	1,302	1,236	283
Bangladesh	8,395	38,361	33,984	4,377	656
Barbados	3,512	4,681,983	4,523,087	158,896	18,756
Belarus	3,165	24,560	19,890	4,670	1,182
Belgium	39,833	16,388,655	14,200,182	2,188,473	444,472
Bulgaria	6,723	37,843	18,302	19,541	3,243
Canada	747,135	65,115,684	50,347,879	14,767,805	1,900,372
China	341,028	44,150,637	43,047,767	1,102,869	123,385
Cyprus	4,124	265,964	177,020	88,944	16,459
Czech Republic	17,270	632,423	567,699	64,724	11,006
Denmark	25,452	5,084,450	4,263,925	820,525	131,540
Egypt	9,074	143,390	112,967	30,424	4,878
Estonia	4,682	25,219	12,868	12,351	2,452
Finland	14,679	3,175,926	2,809,138	366,788	42,472
France [2]	106,796	55,701,512	53,932,915	1,768,597	337,266
Georgia	1,104	21,511	17,914	3,597	941
Germany	390,593	37,595,424	30,324,629	7,270,794	771,536
Greece	22,245	123,455	57,948	65,507	17,081
Hungary	10,575	2,504,507	1,991,597	512,910	29,369
Iceland	3,168	192,429	182,479	9,950	1,691
India	177,333	6,889,034	6,017,609	871,425	125,737
Indonesia	15,494	774,991	751,269	23,721	3,634
Ireland	85,424	33,929,856	28,468,681	5,461,175	1,133,772
Israel	73,603	3,161,111	1,699,740	1,461,371	273,011
Italy	91,159	3,620,182	1,876,782	1,743,401	140,975
Jamaica	6,398	231,560	202,808	28,753	6,193
Japan	272,563	94,170,504	88,085,321	6,085,184	582,726
Kazakhstan	3,082	62,881	58,067	4,815	957
Korea, Republic of (South)	55,418	10,705,631	8,089,891	2,615,740	390,669
Kyrgyzstan	414	1,076	507	569	84
Latvia	3,555	91,290	81,342	9,948	2,283
Lithuania	3,622	20,611	14,479	6,132	1,180
Luxembourg	25,666	56,046,471	48,493,796	7,552,675	2,097,622
Malta	4,090	207,971	68,168	139,802	17,376
Mexico	295,443	7,648,049	4,757,066	2,890,983	470,071
Moldova	1,341	10,094	8,440	1,654	396
Morocco	2,326	239,442	236,543	2,899	596
Netherlands	80,725	29,354,183	27,223,554	2,130,629	226,192
New Zealand	36,651	738,630	439,367	299,263	49,360
Norway	26,071	9,454,012	9,177,035	276,977	45,005
Pakistan	8,599	45,730	33,809	11,922	2,199
Philippines	33,497	915,995	805,699	110,296	24,934
Poland	46,263	1,091,606	585,623	505,983	50,952
Portugal	14,146	1,186,262	1,054,013	132,248	13,882
Romania	10,446	76,411	54,109	22,302	3,561
Russia	57,807	1,869,004	1,726,135	142,869	14,888

Footnotes at end of table.

Table 1. Foreign Recipients of U.S. Income Under Chapter 3 Withholding: Number of Forms 1042-S, Total U.S.-Source Income, and U.S. Tax Withheld, by Total Tax Treaty Countries and Non-Tax Treaty Countries, Calendar Year 2017—Continued

[Money amounts are in thousands of dollars]

Treaty status and country	Number of Forms 1042-S	U.S.-source income			U.S. tax withheld
		Total	Exempt from withholding	Subject to withholding	
	(1)	(2)	(3)	(4)	(5)
Slovak Republic	6,455	70,352	47,480	22,873	5,239
Slovenia	5,985	45,714	25,509	20,205	4,163
South Africa	40,406	614,586	433,977	180,609	29,734
Spain	86,177	3,896,243	2,489,607	1,406,636	166,177
Sri Lanka	1,962	29,633	24,811	4,822	687
Sweden	34,330	7,317,849	5,389,876	1,927,973	298,016
Switzerland	81,405	63,865,610	51,882,427	11,983,183	1,128,382
Tajikistan	332	696	321	376	55
Thailand	26,865	1,175,514	1,018,467	157,047	24,842
Trinidad and Tobago	7,915	257,259	233,507	23,752	6,982
Tunisia	1,486	12,779	9,937	2,841	559
Turkey	15,999	501,224	424,393	76,830	11,973
Turkmenistan	275	777	485	292	50
Ukraine	20,177	45,546	14,517	31,029	6,257
United Kingdom	567,774	108,168,066	97,450,743	10,717,323	1,224,376
Uzbekistan	742	3,887	2,656	1,232	225
Venezuela	103,682	339,615	262,858	76,757	13,968
Non-tax treaty countries, total [3]	**1,453,332**	**183,670,444**	**159,286,885**	**24,383,559**	**6,275,426**

[1] Includes the following countries which are part of the same tax treaty: Ashmore and Cartier Islands, Christmas Island, Cocos (Keeling) Islands, Coral Sea Islands Territory, and Norfolk Island. These countries are not included with Australia in Table 2.

[2] Includes the following countries which are part of the same tax treaty: Guadeloupe, French Guiana, Martinique, and Reunion. These countries are not included with France in Table 2.

[3] Includes Puerto Rico and U.S. possessions. The U.S. and Bermuda have had a tax treaty in effect since 1986, however, this treaty provides no reduction of withholding rates.

NOTES: Detail may not add to totals because of rounding. Form 1042-S is entitled *Foreign Person's U.S. Source Income Subject to Withholding* .

SOURCE:IRS, Statistics of Income Division, Foreign Recipients of U.S. Income, October 2019.

Table 2. Foreign Recipients of U.S. Income Under Chapter 3 Withholding: Number of Forms 1042-S, U.S. Tax Withheld, U.S.-Source Income, and Principal Types of Income, by Selected Recipient Types and Selected Countries and Selected Recipient Types, Calendar Year 2017

[Money amounts are in thousands of dollars]

Recipient types and selected country and selected recipient type	Number of Forms 1042-S	U.S. tax withheld	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	**5,963,143**	**19,460,085**	**882,114,975**	**457,059,653**	**185,100,076**	**63,905,180**	**2,049,350**	**7,068,195**	**37,341,604**
RECIPIENT TYPES									
Individuals	4,439,105	1,567,407	15,363,099	1,969,711	3,206,922	2,155,891	2,049,350	1,281,104	446
Corporations	715,877	10,506,486	524,209,269	271,464,074	86,090,444	51,941,519	0	4,896,114	35,018,702
Partnerships and trusts	185,730	755,652	26,571,413	10,292,177	9,670,785	2,594,754	0	332,068	194,494
U.S. branches treated as U.S. persons	3,233	83,602	29,637,382	18,840,134	5,133,284	73,724	0	6,105	1,459,768
Governments and international organizations	64,858	78,889	128,702,010	84,066,174	23,663,554	119,013	0	43,148	16
Tax-exempt organizations [1]	13,969	8,938	1,388,713	489,860	522,781	205,632	0	25,032	0
Withholding foreign partnerships and trusts	4,045	7,179	3,712,793	1,346,648	1,082,983	27,956	0	27,956	264,191
Artists and athletes [2]	32,083	273,280	1,204,810	4,015	2,543	97,552	0	1,636	0
Withholding rate pools (general)	27,411	5,000,023	92,027,890	48,127,480	37,483,176	66,348	0	0	0
Withholding rate pools (tax-exempt)	725	2,100	10,855,839	4,468,047	6,146,583	0	0	0	0
Other and unknown	476,107	1,176,529	48,441,757	15,991,333	12,097,021	6,622,791	0	455,032	403,987
SELECTED COUNTRIES AND RECIPIENT TYPES									
Algeria	902	706	260,456	251,570	7,233	76	0	2	0
Individuals	851	263	1,610	105	361	68	0	1	0
Corporations	13	437	255,878	248,533	6,858	3	0	0	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Argentina	79,885	35,868	446,291	179,404	62,025	42,254	7,764	24,411	0
Individuals	72,788	25,596	249,954	131,581	45,254	21,235	7,764	19,874	0
Corporations	1,718	6,882	105,508	29,573	4,944	7,688	0	3,874	0
Withholding rate pools (general)	32	111	2,082	1,634	445	0	0	0	0
Australia	286,508	625,571	11,396,493	4,543,862	3,619,261	967,133	40,848	70,159	64,661
Individuals	164,114	40,060	284,571	12,740	89,279	42,568	40,848	17,948	0
Corporations	17,783	307,036	5,827,157	2,706,460	1,394,173	802,659	0	47,555	31,132
Withholding rate pools (general)	65	3,966	44,910	21,143	22,981	3	0	0	0
Austria	28,160	99,495	2,241,691	639,727	1,143,253	200,584	10,195	17,001	570
Individuals	21,360	10,698	75,097	6,554	16,656	6,186	10,195	1,540	0
Corporations	2,024	28,254	1,390,461	246,924	844,214	111,766	0	12,926	0
Withholding rate pools (general)	1,657	48,777	553,729	330,005	220,363	402	0	0	0
Bahamas	22,545	171,347	1,800,022	1,119,649	499,570	1,233	695	2,005	0
Individuals	2,909	2,399	16,375	5,760	3,581	193	695	73	0
Corporations	17,677	129,861	1,422,851	898,601	371,623	167	0	926	0
Withholding rate pools (general)	377	21,210	213,742	135,068	74,546	8	0	0	0
Barbados	3,512	18,756	4,681,983	607,378	29,625	309,399	1,221	140	0
Individuals	1,611	692	5,515	878	653	172	1,221	48	0
Corporations	1,498	17,437	4,661,372	595,775	27,333	307,411	0	89	0
Withholding rate pools (general)	7	157	661	d	477	0	0	0	0
Belgium	39,833	444,472	16,388,655	11,245,333	3,682,990	438,040	8,830	31,378	2,859
Individuals	30,983	11,229	92,153	6,221	37,164	8,194	8,830	12,048	0
Corporations	3,225	9,244	5,126,082	4,072,981	180,258	392,911	0	13,094	2,859
Withholding rate pools (general)	480	420,212	8,749,898	4,892,940	3,415,442	51	0	0	0
Bermuda	20,208	426,763	10,430,331	8,518,549	1,190,768	46,509	1,691	18,217	558
Individuals	5,679	3,934	140,067	120,336	9,538	1,856	1,691	398	0
Corporations	11,259	282,487	9,212,928	7,937,382	628,463	11,524	0	17,776	558
Withholding rate pools (general)	27	1,158	9,443	5,633	3,182	0	0	0	0
Brazil	80,280	74,581	4,160,612	3,799,636	76,364	60,727	5,329	29,375	4
Individuals	66,009	25,826	192,592	69,337	32,428	17,712	5,329	13,300	4
Corporations	2,400	39,490	309,121	138,413	35,986	32,491	0	5,747	0
Withholding rate pools (general)	37	219	3,003	2,282	710	0	0	0	0
British Virgin Islands	99,380	371,445	4,220,590	2,611,821	1,121,525	10,116	194	17,726	0
Individuals	1,443	905	17,258	13,439	2,019	141	194	369	0
Corporations	95,743	360,221	4,038,895	2,497,885	1,073,628	6,528	0	17,204	0
Withholding rate pools (general)	13	59	432	226	201	0	0	0	0

Footnotes at end of table.

Table 2. Foreign Recipients of U.S. Income Under Chapter 3 Withholding: Number of Forms 1042-S, U.S. Tax Withheld, U.S.-Source Income, and Principal Types of Income, by Selected Recipient Types and Selected Countries and Selected Recipient Types, Calendar Year 2017—Continued

[Money amounts are in thousands of dollars]

Recipient types and selected country and selected recipient type	Number of Forms 1042-S	U.S. tax withheld	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Brunei	889	629	149,178	40,214	81,646	168	0	0	0
Individuals	503	69	322	38	210	3	0	0	0
Corporations	30	91	1,606	1,364	86	0	0	0	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Cameroon	1,022	363	188,395	119	285	185,749	9	139	0
Individuals	961	314	2,066	80	285	30	9	66	0
Corporations	13	39	589	23	0	63	0	29	0
Withholding rate pools (general)	d	0	d	d	0	0	0	0	0
Canada	747,135	1,900,372	65,115,684	22,250,704	20,125,882	3,142,082	417,308	959,964	1,867,828
Individuals	555,439	166,454	2,136,238	50,923	209,234	280,971	417,308	127,071	0
Corporations	66,813	535,323	32,362,726	13,373,266	6,008,363	2,483,615	0	732,468	1,620,564
Withholding rate pools (general)	908	1,023,753	13,790,343	3,993,412	8,572,398	2,411	0	0	0
Cayman Islands	139,893	2,569,255	80,675,814	64,373,975	8,241,772	89,434	744	25,640	193,646
Individuals	2,305	4,460	86,406	69,735	12,572	459	744	11	0
Corporations	129,134	2,485,671	74,146,774	60,612,168	7,045,114	84,755	0	2,237	0
Withholding rate pools (general)	94	3,012	59,115	48,338	10,504	0	0	0	0
Chile	29,675	150,685	1,445,317	335,025	444,353	24,258	8,047	3,925	235
Individuals	d	d	d	d	d	d	d	d	d
Corporations	7,240	138,282	997,352	264,552	422,846	22,253	0	1,419	235
Withholding rate pools (general)	d	d	d	d	d	d	d	d	d
China	341,028	123,385	44,150,637	38,329,295	3,243,586	277,815	457	563,651	1,798
Individuals	322,378	30,523	817,430	95,987	95,031	29,488	457	384,820	0
Corporations	4,025	77,528	2,964,539	2,107,241	334,517	211,536	0	101,227	1,798
Withholding rate pools (general)	20	13	177	6	120	40	0	0	0
Colombia	32,831	95,256	879,257	387,629	269,166	56,294	10,494	5,593	0
Individuals	25,370	8,791	54,926	13,920	7,675	2,491	10,494	1,939	0
Corporations	3,423	44,461	289,064	121,935	130,194	9,251	0	1,853	0
Withholding rate pools (general)	d	0	d	d	0	0	0	0	0
Cyprus	4,124	16,459	265,964	100,533	29,982	105,896	789	4,991	0
Individuals	2,278	1,726	18,729	11,951	2,546	882	789	195	0
Corporations	1,601	12,598	168,884	79,293	20,016	46,328	0	4,543	0
Withholding rate pools (general)	51	903	8,360	2,572	5,369	0	0	0	0
Czech Republic	17,270	11,006	632,423	360,269	81,778	64,601	1,864	66,929	0
Individuals	13,954	2,584	24,767	1,574	5,056	2,241	1,864	3,321	0
Corporations	689	1,502	118,286	9,612	8,889	25,997	0	62,672	0
Withholding rate pools (general)	78	3,752	43,295	17,710	23,863	12	0	0	0
Denmark	25,452	131,540	5,084,450	2,256,989	1,265,498	966,954	7,537	32,503	0
Individuals	11,533	5,656	37,961	1,377	3,999	9,871	7,537	3,726	0
Corporations	5,241	60,851	3,387,227	1,574,146	574,285	897,930	0	27,238	0
Withholding rate pools (general)	143	45,346	434,120	133,817	295,678	3	0	0	0
East Timor	597	1,321	167,178	162,522	3,557	15	0	0	0
Individuals	267	127	1,116	339	150	14	0	0	0
Corporations	316	1,192	165,914	162,044	3,406	0	0	0	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Egypt	9,074	4,878	143,390	62,423	17,539	1,258	100	6,115	0
Individuals	8,101	4,261	79,791	6,708	13,655	818	100	4,752	0
Corporations	269	264	13,292	10,704	178	358	0	1,337	0
Withholding rate pools (general)	d	0	d	d	0	0	0	0	0
El Salvador	9,980	7,218	309,703	209,837	3,207	6,799	1,668	63,119	0
Individuals	8,415	5,661	32,626	6,615	2,323	3,132	1,668	687	0
Corporations	348	713	263,848	195,201	646	3,103	0	61,679	0
Withholding rate pools (general)	d	d	d	0	0	d	0	0	0
Finland	14,679	42,472	3,175,926	720,416	648,834	1,532,439	3,457	5,017	0
Individuals	9,746	2,345	36,513	15,656	2,197	3,570	3,457	3,448	0
Corporations	2,259	33,966	2,519,875	299,871	496,170	1,499,266	0	1,002	0
Withholding rate pools (general)	42	3,250	47,896	17,653	30,018	0	0	0	0

Footnotes at end of table.

Table 2. Foreign Recipients of U.S. Income Under Chapter 3 Withholding: Number of Forms 1042-S, U.S. Tax Withheld, U.S.-Source Income, and Principal Types of Income, by Selected Recipient Types and Selected Countries and Selected Recipient Types, Calendar Year 2017—Continued

[Money amounts are in thousands of dollars]

Recipient types and selected country and selected recipient type	Number of Forms 1042-S	U.S. tax withheld	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
France	106,692	337,030	55,700,556	20,862,795	8,280,623	4,885,365	42,468	142,109	14,057,499
Individuals	79,713	37,924	334,380	12,067	63,367	51,361	42,468	58,070	0
Corporations	10,256	72,746	34,310,078	9,978,297	3,107,950	3,685,775	0	56,752	13,708,365
Withholding rate pools (general)	1,418	195,310	3,206,811	2,345,202	752,158	78	0	0	0
Gabon	2,452	1,369	382,716	19,951	2,364	11,510	0	48,072	16,555
Individuals	944	769	10,311	158	1,634	1,730	0	179	0
Corporations	944	189	354,190	18,776	160	7,830	0	40,218	16,555
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Gambia	557	163	336,961	9,691	179	324,783	4	6	0
Individuals	208	109	606	17	179	6	4	6	0
Corporations	40	1	11,575	9,674	0	2	0	0	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Germany	390,593	771,536	37,595,424	11,099,684	13,226,453	8,868,255	139,968	318,791	429,899
Individuals	331,751	53,069	993,705	85,386	229,048	239,481	139,968	69,972	0
Corporations	25,468	270,780	24,888,662	6,775,414	7,320,370	7,738,022	0	225,555	314,041
Withholding rate pools (general)	8,230	202,030	3,905,729	2,335,776	1,357,582	1,250	0	0	0
Greece	22,245	17,081	123,455	26,140	17,915	6,104	35,371	5,995	0
Individuals	20,615	13,698	70,713	4,921	7,831	1,877	35,371	4,349	0
Corporations	493	1,003	27,778	5,422	3,202	3,425	0	1,411	0
Withholding rate pools (general)	6	3	3,020	d	d	d	0	0	0
Guernsey	10,901	130,249	1,578,695	881,616	435,512	1,103	147	0	0
Individuals	307	211	34,665	32,954	380	98	147	0	0
Corporations	8,471	103,271	1,277,229	722,826	311,588	744	0	0	0
Withholding rate pools (general)	117	16,028	103,195	18,885	79,131	d	0	0	0
Hong Kong	78,822	310,793	6,790,084	4,201,771	1,579,772	52,151	2,226	22,873	28
Individuals	67,196	43,402	218,714	52,230	100,453	8,613	2,226	7,657	0
Corporations	5,662	96,802	2,033,854	1,181,525	164,291	38,745	0	10,149	28
Withholding rate pools (general)	488	144,317	1,809,553	1,185,601	556,102	73	0	0	0
Hungary	10,575	29,369	2,504,507	1,258,547	502,358	95,925	2,581	4,296	0
Individuals	7,938	1,800	22,957	1,969	2,559	1,715	2,581	3,053	0
Corporations	667	7,389	734,587	335,147	111,594	86,214	0	655	0
Withholding rate pools (general)	6	0	201	d	d	d	0	0	0
Iceland	3,168	1,691	192,429	120,081	13,035	7,900	498	1,121	0
Individuals	1,697	441	4,747	61	439	1,098	498	456	0
Corporations	298	132	15,357	2,822	1,053	6,123	0	588	0
Withholding rate pools (general)	10	65	435	d	432	0	0	0	0
India	177,333	125,737	6,889,034	1,861,653	379,465	239,885	4,565	1,670,368	32,090
Individuals	135,863	30,357	222,130	19,508	30,797	10,615	4,565	33,271	0
Corporations	2,598	65,088	4,747,547	243,986	230,032	188,967	0	1,614,294	32,090
Withholding rate pools (general)	7	16	108	d	d	96	0	0	0
Indonesia	15,494	3,634	774,991	529,020	5,948	5,099	440	3,797	0
Individuals	14,372	2,481	21,698	1,408	3,997	4,277	440	2,207	0
Corporations	260	812	37,172	34,350	921	455	0	1,015	0
Withholding rate pools (general)	6	d	22	d	d	0	0	0	0
Ireland	85,424	1,133,772	33,929,856	21,123,380	5,194,469	3,997,181	26,791	277,707	2,077
Individuals	59,800	9,179	176,832	1,920	36,519	21,675	26,791	4,937	0
Corporations	17,108	1,022,685	28,802,662	19,429,893	4,614,000	1,469,275	0	269,419	2,077
Withholding rate pools (general)	78	4,230	26,066	601	21,072	1,618	0	0	0
Isle of Man	1,649	7,022	125,773	100,015	20,575	939	357	37	0
Individuals	389	831	3,700	1,954	562	587	357	37	0
Corporations	1,010	5,826	117,824	96,495	18,320	331	0	0	0
Withholding rate pools (general)	d	d	d	0	d	d	0	0	0
Israel	73,603	273,011	3,161,111	1,717,168	804,474	139,574	15,211	80,046	0
Individuals	57,574	52,291	360,611	67,309	164,658	18,771	15,211	36,470	0
Corporations	9,762	88,308	996,687	575,909	124,578	106,591	0	40,579	0
Withholding rate pools (general)	300	113,027	914,028	442,300	446,711	63	0	0	0
Italy	91,159	140,975	3,620,182	1,467,670	980,912	622,083	95,172	87,598	49,219
Individuals	74,812	14,207	323,800	17,341	35,119	18,014	95,172	33,467	0
Corporations	4,988	68,902	1,577,001	575,504	546,231	232,846	0	43,972	37,803
Withholding rate pools (general)	1,429	44,400	837,030	498,306	325,379	93	0	0	0

Footnotes at end of table.

Table 2. Foreign Recipients of U.S. Income Under Chapter 3 Withholding: Number of Forms 1042-S, U.S. Tax Withheld, U.S.-Source Income, and Principal Types of Income, by Selected Recipient Types and Selected Countries and Selected Recipient Types, Calendar Year 2017—Continued

[Money amounts are in thousands of dollars]

Recipient types and selected country and selected recipient type	Number of Forms 1042-S	U.S. tax withheld	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Jamaica	6,398	6,193	231,560	199,403	3,946	4,357	4,135	2,640	0
Individuals	4,696	4,308	21,964	1,184	1,250	1,454	4,135	1,410	0
Corporations	593	760	197,922	194,116	2,432	731	0	4	0
Withholding rate pools (general)	d	d	d	0	0	d	0	0	0
Japan	272,563	582,726	94,170,504	43,715,778	18,712,059	13,757,112	343,294	245,991	2,119,152
Individuals	233,273	20,240	725,539	23,350	91,643	89,450	343,294	37,382	0
Corporations	13,891	181,348	55,760,234	22,827,360	9,283,401	13,007,870	0	199,188	1,432,378
Withholding rate pools (general)	953	364,076	16,318,647	7,812,352	7,592,243	28,628	0	0	0
Jersey	7,164	97,202	1,234,013	758,478	311,745	18,453	213	281	0
Individuals	385	572	35,730	33,491	1,374	420	213	194	0
Corporations	4,467	70,391	977,318	621,577	205,336	17,605	0	81	0
Withholding rate pools (general)	241	18,721	150,629	76,970	71,331	0	0	0	0
Korea, Republic of (South)	55,418	390,669	10,705,631	4,468,542	2,506,288	1,449,891	16,650	43,198	0
Individuals	43,671	19,097	159,588	9,270	14,720	26,293	16,650	35,080	0
Corporations	3,060	288,354	3,553,587	1,324,767	573,835	1,172,294	0	5,824	0
Withholding rate pools (general)	182	12,582	406,737	314,875	86,992	73	0	0	0
Kuwait	4,415	4,247	5,062,961	1,349,433	2,734,339	729	0	711	0
Individuals	2,448	1,188	7,562	2,735	2,279	624	0	706	0
Corporations	580	1,136	33,615	26,142	3,648	10	0	0	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Liberia	981	6,212	132,674	17,561	16,212	34,429	108	31	0
Individuals	344	120	883	32	0	11	108	5	0
Corporations	611	6,011	126,296	16,496	15,966	34,401	0	16	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Libya	200	3,219	120,657	20,640	99,639	3	0	13	0
Individuals	169	52	429	67	33	2	0	13	0
Corporations	14	3,166	27,794	17,225	10,521	0	0	0	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Liechtenstein	1,227	37,098	319,703	184,272	107,383	12,509	54	2,378	0
Individuals	110	190	889	272	476	0	54	0	0
Corporations	435	6,871	41,024	13,780	10,086	10,978	0	2,322	0
Withholding rate pools (general)	156	21,907	189,277	110,815	74,059	46	0	0	0
Luxembourg	25,666	2,097,622	56,046,471	42,881,551	9,371,020	1,466,825	732	13,795	83
Individuals	2,363	721	44,094	38,575	1,292	174	732	674	0
Corporations	20,965	1,335,575	40,373,738	32,834,638	4,571,243	1,281,710	0	12,869	0
Withholding rate pools (general)	1,070	748,187	9,487,437	6,521,650	2,555,813	241	0	0	0
Macau	1,090	1,219	118,339	49,195	54,045	118	32	59	0
Individuals	929	378	1,771	446	585	79	32	22	0
Corporations	58	776	8,925	8,421	366	0	0	36	0
Withholding rate pools (general)	d	d	d	0	0	d	0	0	0
Malaysia	54,153	16,554	944,408	733,991	162,477	7,519	584	760	0
Individuals	49,907	7,661	38,243	3,829	19,596	5,699	584	215	0
Corporations	513	4,166	39,119	20,663	4,206	1,380	0	290	0
Withholding rate pools (general)	6	16	95	d	d	d	0	0	0
Malta	4,090	17,376	207,971	160,339	17,642	9,207	2,523	5,520	0
Individuals	2,523	3,571	28,390	20,184	2,807	113	2,523	300	0
Corporations	1,308	11,896	150,039	117,601	11,892	6,299	0	5,179	0
Withholding rate pools (general)	49	361	15,161	12,959	2,041	7	0	0	0
Mauritius	1,577	25,483	293,747	84,685	106,456	12,508	64	44,377	0
Individuals	867	1,044	4,682	470	2,814	24	64	4	0
Corporations	539	17,982	205,481	82,785	56,337	470	0	44,373	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Mexico	295,443	470,071	7,648,049	1,835,560	1,228,886	1,380,527	262,392	244,466	0
Individuals	254,964	238,581	1,174,378	155,628	133,747	15,058	262,392	38,919	0
Corporations	7,030	181,550	4,681,747	622,142	850,347	1,328,973	0	172,518	0
Withholding rate pools (general)	6	0	10	d	d	d	0	0	0
Monaco	1,766	27,430	210,873	108,827	74,388	8,814	586	605	0
Individuals	1,220	3,312	17,644	4,970	7,697	591	586	214	0
Corporations	173	3,158	19,657	8,186	2,312	7,876	0	350	0
Withholding rate pools (general)	248	18,703	164,496	95,399	64,267	15	0	0	0

Footnotes at end of table.

Table 2. Foreign Recipients of U.S. Income Under Chapter 3 Withholding: Number of Forms 1042-S, U.S. Tax Withheld, U.S.-Source Income, and Principal Types of Income, by Selected Recipient Types and Selected Countries and Selected Recipient Types, Calendar Year 2017—Continued

[Money amounts are in thousands of dollars]

Recipient types and selected country and selected recipient type	Number of Forms 1042-S	U.S. tax withheld	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Morocco	2,326	596	239,442	20,635	887	212,672	175	362	0
Individuals	2,115	560	5,936	323	810	405	175	353	0
Corporations	43	7	1,391	656	20	19	0	d	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Netherlands	80,725	226,192	29,354,183	11,547,105	9,976,621	2,068,333	21,450	307,776	16,630
Individuals	53,599	18,865	181,167	35,015	45,991	17,961	21,450	16,254	0
Corporations	9,843	131,265	18,871,057	8,438,806	4,520,021	1,920,549	0	160,050	934
Withholding rate pools (general)	280	35,795	394,614	137,909	194,814	185	0	0	0
New Zealand	36,651	49,360	738,630	237,471	283,048	73,363	1,765	12,859	0
Individuals	22,649	6,084	53,048	1,336	13,461	12,548	1,765	2,062	0
Corporations	3,351	23,891	202,413	65,204	62,847	48,666	0	10,110	0
Withholding rate pools (general)	17	29	188	8	130	17	0	0	0
Norway	26,071	45,005	9,454,012	3,370,028	4,929,228	112,867	21,121	60,145	312
Individuals	21,057	10,752	73,003	2,542	12,633	14,648	21,121	9,816	0
Corporations	2,090	19,621	1,074,374	364,156	133,695	75,932	0	46,054	312
Withholding rate pools (general)	17	11,522	252,382	104,329	75,713	159	0	0	0
Oman	1,114	3,959	433,013	107,065	73,148	95	0	109	0
Individuals	719	260	1,456	280	681	62	0	d	0
Corporations	48	587	96,580	2,582	215	0	0	105	0
Withholding rate pools (general)	d	d	d	0	d	0	0	0	0
Panama	33,251	62,519	802,620	550,699	148,564	24,301	2,716	2,923	0
Individuals	7,096	9,795	43,172	7,216	3,753	593	2,716	743	0
Corporations	24,543	47,664	610,338	417,605	129,316	23,092	0	783	0
Withholding rate pools (general)	91	1,641	17,347	12,062	4,974	1	0	0	0
Peru	13,197	67,360	533,153	263,233	209,664	3,003	2,371	3,665	0
Individuals	10,452	3,511	29,886	11,446	3,403	826	2,371	2,824	0
Corporations	1,013	40,164	215,121	72,245	129,389	1,880	0	192	0
Withholding rate pools (general)	d	d	d	d	d	0	0	0	0
Philippines	33,497	24,934	915,995	210,217	22,616	45,428	33,259	11,555	0
Individuals	28,520	16,361	76,003	4,459	8,641	3,248	33,259	2,400	0
Corporations	647	5,169	174,257	62,232	6,758	18,581	0	8,287	0
Withholding rate pools (general)	d	d	d	0	d	0	0	0	0
Poland	46,263	50,952	1,091,606	495,512	324,441	117,507	71,372	10,738	6,606
Individuals	41,606	23,240	114,685	3,226	7,487	11,140	71,372	7,206	0
Corporations	928	10,790	218,593	50,407	15,731	102,920	0	2,645	6,606
Withholding rate pools (general)	5	d	107	d	d	d	0	0	0
Portugal	14,146	13,882	1,186,262	1,001,383	69,072	34,192	18,871	10,382	0
Individuals	11,832	7,402	54,485	10,027	7,370	2,034	18,871	5,246	0
Corporations	630	3,987	1,026,038	948,503	34,704	12,741	0	4,004	0
Withholding rate pools (general)	22	82	861	269	518	2	0	0	0
Puerto Rico	9,377	9,407	713,482	589,784	63,383	7,896	309	1,180	0
Individuals	866	540	4,342	72	112	130	309	31	0
Corporations	6,007	7,543	539,135	468,143	45,526	7,678	0	996	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Qatar	1,925	10,620	279,855	77,354	77,119	559	0	81	0
Individuals	1,460	586	4,397	1,808	1,562	337	0	77	0
Corporations	234	9,746	65,231	47,834	8,001	1	0	3	0
Withholding rate pools (general)	d	d	d	0	d	0	0	0	0
Russia	57,807	14,888	1,869,004	1,536,117	113,983	48,540	41	20,362	0
Individuals	52,846	5,484	113,092	28,481	16,078	24,872	41	9,999	0
Corporations	1,059	5,285	236,853	55,616	96,053	13,317	0	6,333	0
Withholding rate pools (general)	41	132	9,718	9,197	507	9	0	0	0
Saudi Arabia	9,830	21,651	2,682,275	1,263,938	594,108	3,675	4	200	0
Individuals	7,851	5,072	29,186	8,424	10,331	2,609	4	177	0
Corporations	572	15,381	302,178	133,681	24,128	62	0	2	0
Withholding rate pools (general)	6	0	4	d	d	0	0	0	0
Senegal	1,818	2,560	145,218	42,768	2,266	4,193	61	222	1,054
Individuals	1,372	817	10,603	4,491	614	323	61	36	0
Corporations	304	1,313	116,416	30,106	1,645	3,747	0	33	1,054
Withholding rate pools (general)	d	d	d	0	0	d	0	0	0

Footnotes at end of table.

Table 2. Foreign Recipients of U.S. Income Under Chapter 3 Withholding: Number of Forms 1042-S, U.S. Tax Withheld, U.S.-Source Income, and Principal Types of Income, by Selected Recipient Types and Selected Countries and Selected Recipient Types, Calendar Year 2017—Continued

[Money amounts are in thousands of dollars]

Recipient types and selected country and selected recipient type	Number of Forms 1042-S	U.S. tax withheld	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Singapore	114,556	252,479	12,623,202	3,979,040	3,777,941	82,288	953	13,452	11,700
Individuals	99,102	29,602	143,855	21,694	79,380	6,617	953	4,975	442
Corporations	4,922	98,995	2,161,753	853,535	235,068	73,459	0	5,739	11,258
Withholding rate pools (general)	607	100,559	826,599	470,092	338,790	1,226	0	0	0
South Africa	40,406	29,734	614,586	235,149	218,442	14,783	1,587	9,267	0
Individuals	31,266	7,365	52,690	2,880	26,882	3,977	1,587	1,480	0
Corporations	5,018	11,989	271,302	55,819	139,516	6,575	0	6,961	0
Withholding rate pools (general)	10	15	129	d	103	d	0	0	0
Spain	86,177	166,177	3,896,243	1,752,970	957,944	208,530	31,354	54,339	509,962
Individuals	69,800	20,681	160,863	16,960	38,866	18,894	31,354	9,587	0
Corporations	6,943	113,367	2,550,351	768,403	774,641	167,730	0	42,350	499,674
Withholding rate pools (general)	345	19,500	288,042	158,232	123,604	782	0	0	0
Sweden	34,330	298,016	7,317,849	2,573,820	2,585,958	1,023,896	18,765	25,210	0
Individuals	24,816	11,671	79,759	2,598	13,834	11,427	18,765	7,934	0
Corporations	4,295	157,075	4,354,709	1,119,779	1,615,340	902,808	0	15,831	0
Withholding rate pools (general)	179	121,022	980,185	163,280	784,168	7	0	0	0
Switzerland	81,405	1,128,382	63,865,610	29,470,750	17,226,127	7,405,832	23,105	204,998	1,073,753
Individuals	48,500	47,747	1,168,085	31,363	351,906	664,045	23,105	14,520	0
Corporations	14,565	464,834	41,470,521	17,608,423	9,690,596	6,070,706	0	125,975	1,072,135
Withholding rate pools (general)	3,908	587,719	9,807,596	5,101,579	4,496,681	449	0	0	0
Taiwan	149,792	246,876	17,676,614	11,953,470	995,202	107,122	1,069	6,765	2,167
Individuals	138,655	33,465	198,643	57,848	88,257	7,283	1,069	2,102	0
Corporations	5,047	195,599	7,198,791	6,046,590	772,464	46,962	0	3,497	2,167
Withholding rate pools (general)	52	2,504	98,839	90,113	8,280	4	0	0	0
Thailand	26,865	24,842	1,175,514	940,352	38,915	20,873	7,144	4,757	0
Individuals	24,237	7,063	50,168	4,039	10,301	6,978	7,144	2,458	0
Corporations	601	16,065	148,347	109,624	25,303	10,102	0	1,986	0
Withholding rate pools (general)	7	2	69	46	d	0	0	0	0
Trinidad and Tobago	7,915	6,982	257,259	194,057	39,788	1,783	1,875	665	0
Individuals	6,265	2,067	14,130	3,306	3,546	1,319	1,875	580	0
Corporations	944	4,672	88,358	68,762	15,453	94	0	26	0
Withholding rate pools (general)	0	0	0	0	0	0	0	0	0
Turkey	15,999	11,973	501,224	424,427	18,262	16,648	1,532	3,847	0
Individuals	13,861	4,919	40,186	3,406	6,098	5,516	1,532	991	0
Corporations	604	5,285	59,552	29,347	6,387	9,132	0	2,713	0
Withholding rate pools (general)	7	1	6	d	5	0	0	0	0
United Arab Emirates	17,342	50,536	3,623,549	639,372	1,730,344	7,199	34	3,730	0
Individuals	13,400	7,097	43,352	12,654	15,916	3,041	34	2,050	0
Corporations	1,401	17,225	256,918	93,565	109,702	2,246	0	918	0
Withholding rate pools (general)	25	882	6,978	3,952	2,544	260	0	0	0
United Kingdom	567,774	1,224,376	108,168,066	46,160,732	22,504,388	5,760,525	137,487	877,582	16,878,520
Individuals	428,778	182,357	1,802,876	141,934	709,849	311,062	137,487	124,022	0
Corporations	60,175	463,757	81,898,833	33,899,355	15,347,735	4,974,921	0	497,531	16,222,253
Withholding rate pools (general)	1,745	309,731	9,471,450	5,631,109	2,693,056	27,018	0	0	0
Uruguay	16,740	9,149	269,209	191,887	25,905	1,134	1,004	16,140	0
Individuals	13,015	3,159	47,575	33,847	8,090	476	1,004	806	0
Corporations	2,782	4,334	117,299	66,920	13,690	274	0	14,758	0
Withholding rate pools (general)	116	833	28,026	24,731	3,080	125	0	0	0
Venezuela	103,682	13,968	339,615	245,119	48,295	8,837	938	8,598	0
Individuals	97,173	10,653	225,990	154,812	40,804	6,094	938	6,412	0
Corporations	2,895	2,246	88,888	80,643	6,025	215	0	132	0
Withholding rate pools (general)	11	4	64	34	27	0	0	0	0
Vietnam	10,485	4,508	165,011	140,799	541	9,280	100	844	0
Individuals	9,568	4,092	20,040	366	432	8,703	100	570	0
Corporations	149	161	7,827	4,810	94	432	0	31	0
Withholding rate pools (general)	d	d	d	0	d	0	0	0	0

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

[1] Unrelated business income paid to foreign tax-exempt organizations is subject to U.S. withholding tax.

[2] The majority of income for this recipient category is reported in a separate income code, specifically for artist and athlete income.

NOTES: Detail may not add to totals because of rounding. Form 1042-S is entitled *Foreign Person's U.S. Source Income Subject to Withholding* . All countries with total U.S.-source income over $100 million for Calendar Year 2017 were selected for this table.

SOURCE: IRS, Statistics of Income Division, Foreign Recipients of U.S. Income, October 2019.

Table 3. Recipients of U.S. Income Under Chapter 4 Withholding: Number of Forms 1042-S, Total U.S.-Source Income, and U.S. Tax Withheld, by Selected Income Types, Calendar Year 2017
[Money amounts are in thousands of dollars]

Income types	Number of Forms 1042-S [1]	U.S.-source income			U.S. tax withheld
		Total	Exempt from withholding	Subject to withholding	
	(1)	(2)	(3)	(4)	(5)
Total	**200,593**	**5,780,130**	**3,662,012**	**2,118,118**	**424,483**
Dividends	128,909	1,868,798	586,863	1,281,935	263,569
Interest	62,141	2,167,885	1,790,975	376,910	85,267
Rents and royalties	1,615	394,625	373,191	21,434	3,973
Return on capital	1,190	444,120	248,297	195,823	4,874
Personal services income	546	28,564	21,883	6,681	1,575
Pensions, annuities, alimony, and/or insurance premiums	754	295,887	292,070	3,817	979
Scholarship or fellowship grants	237	13,005	11,810	1,195	68
All other income types	5,201	567,246	336,923	230,323	64,178

[1] Data in this table are based on returns filed pursuant to Chapter 4 of the Internal Revenue Code. Returns that were filed pursuant to Chapter 3 of the Code are not included in this table; however, they are included in Tables 1 and 2.
NOTES: Detail may not add to totals because of rounding. Form 1042-S is entitled *Foreign Person's U.S. Source Income Subject to Withholding*.
SOURCE: IRS, Statistics of Income Division, Foreign Recipients of U.S. Income, October 2019.

Effects of Post-Filing Adjustments on SOI Estimates

by Derrick Dennis, Jennifer Ferris, Gloria Gagin, Tuba Ozer-Gurbuz, Julia Shiller, and Christopher Williams

Introduction

Historically, Statistics of Income (SOI) research has been based on data collected from initial tax return filings.[1] Although initial tax return filings are often final, taxpayers may elect to amend their individual tax returns.[2] Also, the IRS may examine a return and recommend changes as a result of the examination. Common reasons for post-filing adjustments include tax over- or underassessments.[3] These post-filing adjustments are not reflected in SOI estimates.

Taxpayers have an option to amend their initial return after the tax filing period has ended. Under Internal Revenue Code (IRC) § 6511, taxpayers must file a claim for a credit or refund within 3 years from the time the initial tax return was filed or 2 years from the time the tax was paid, whichever is later. In some instances, extensions may be granted for filing an amended return.

Additionally, the IRS may examine tax returns after the filing period has ended. As outlined in IRC § 6501(a), examinations may begin within 3 years after the return is filed. There are several exceptions to this rule.

Post-filing changes can influence net revenue, which consequently impacts fiscal research and policy. However, to publish statistics in a timely manner, SOI does not wait for the processing of amended returns data or for recommendations following examination. Additionally, incorporating these changes into SOI statistics requires substantial SOI resources in terms of time and labor, which may not be justifiable depending on the magnitude of the impact.

Nevertheless, it may be valuable to IRS stakeholders to understand the difference between currently published statistics and taxpayers' finalized tax statistics. This study aims to contribute to a better understanding of the difference by measuring the impact of including amended and examined returns to a subset of SOI products.

Information in this article is presented as follows: first the scope of the project is defined and previously published data are summarized. Next, new results are presented for both individual and corporate income tax returns for amendments and examinations. Conclusions, as well as a discussion on the limitations to this study and suggestions for future work, follow. Additional information, data tables, and graphs are listed in the appendices.

Scope of Project

This study aims to estimate the effect of including amended and examined tax returns into SOI products. It focuses on individual and corporate returns filed using a *U.S. Individual Income Tax Return* (Form 1040) or a *U.S. Corporation Income Tax Return* (Form 1120) in a selected tax year that were amended using either an *Amended U.S. Individual Income Tax Return* (Form 1040-X) or an *Amended U.S. Corporation Income Tax Return* (Form 1120-X),[4] or examined within 3 years of the date that the IRS received the return.

The base tax year for this study is 2013. This means that this study measures changes made in subsequent years to returns that were filed for Tax Year 2013. Tax Year 2013 was chosen because it is a relatively recent year with 3 years of post-filing data.

This study uses IRS Master File-level data as well as the SOI samples to capture changes to individual and corporate returns. Tax adjustments were identified in the Master File data and linked to tax returns in the individual and corporate SOI samples. The matched data were weighted using the respective sample weights from the individual and corporate studies to represent adjustments in the overall population. Finally, the weighted sample estimates were compared to total changes in the population data to verify the appropriateness of SOI sample weights for this study.

Existing Estimates and Published Data

The estimates reported in this section are examples of published data that include information on amendments and examinations.

The IRS annually reports data about Forms 1040-X and 1120-X filings in *Calendar Year Return Projections for the United States and IRS Campuses* (Publication 6186).[5] This publication includes the number of returns that are processed during the given calendar year as well as prior years, and projections for future years.[6] As reported in the 2014 release of Publication 6186, the IRS processed 145,851,813 individual income tax returns and 6,685,423 corporation income tax returns in Calendar Year 2013. For this same calendar year, the IRS processed 3,951,923 amended individual income tax returns (Forms 1040-X) and 7,000 amended corporation income tax returns (Forms 1120-X).

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[1] For some studies, SOI replaces initially filed tax returns with superseding returns that are filed within the same SOI study year.

[2] Taxpayers can add, delete, update, or change their income, exemptions, deductions, credits, filing status, *etc*., reported on their original tax returns, including claiming tax credits and deductions that were not previously claimed.

[3] In some cases, post-filing adjustments may start out as an overassessment and turn into an undersassessment (or vice versa).

[4] Although there are other ways to amend Forms 1040 and 1120, this study is limited to Forms 1040-X and 1120-X for amendment estimates.

[5] Publication 6186 reports the number of tax returns filed for the United States and IRS processing campuses by major return categories for each calendar year. Data on amended returns can be found in Table 2, "Total Number of Returns Filed by Type for the United States."

[6] The calendar year runs from January 1 to December 31.

The IRS annually reports examination data in the *IRS Data Book* (Publication 55-B). Examination coverage includes recommended additional tax and returns examined resulting in refunds. Examination data in the *Data Book* are delineated by factors such as return type, size of return, and adjusted gross income. As published in Table 9a in the 2014 issue of the *Data Book*, individuals filed 145.2 million income tax returns in Calendar Year 2013.[7] The same table reports that 1.2 million individual returns were examined in Fiscal Year 2014,[8] resulting in $11.9 billion in total recommended additional taxes.

The same table reports that corporations filed 1,876,401 corporate income tax returns in Calendar Year 2013, excluding Forms 1120S, 1120-C, and 1120-F. For the same forms, the IRS examined 25,115 corporate income tax returns in Fiscal Year 2014. The recommended additional tax (tax increase) from these corporation income tax returns was $16.9 billion.

The data published in Publication 6186 and the *IRS Data Book* provide estimates for the number of amended returns processed (based on Forms 1040-X and 1120-X) and returns examined in a given year. However, the amended returns and examinations reported on in these publications could be associated with initial filings from any prior tax year. Currently, no published data reflect the number of amended returns or examinations associated with a fixed initial filing tax year. Existing studies do not follow the returns from a fixed initial filing tax year to capture the related amended returns and examinations. Therefore published data cannot shed light on how these changes would affect SOI's tax year estimates.

Methodology

Datasets containing original population data for individuals and corporations were selected from Master Files and other IRS databases. These datasets contain multiple years of transactions regarding filed income tax returns, including data on subsequent adjustments to the initial filings.

Population data were matched to the SOI Form 1040 and Form 1120 sample data from Tax Year 2013 using taxpayer identification numbers (TINs) and year. In addition to TIN and year, corporate returns were matched using their accounting periods. The SOI sample data for this research were used to produce the 2013 *Individual Income Tax Returns Complete Report* (Publication 1304) and the 2013 *Corporation Income Tax Returns Complete Report* (Publication 16), otherwise known as the *Complete Reports* for individual and corporation returns.

The corporate sample selection occurred during the period of July 2013 to June 2015, which allowed for the capture of returns filed in different accounting periods as well as those that had changes within the limitation period, including filing extensions. By limiting the accounting period in accordance with the SOI sample, this study sought to include filed Forms 1120-X that corresponded to a return selected for the 2013 SOI sample.[9]

Results

The following estimates are preliminary and based on Master File data that were not edited or reviewed for quality. Where results are presented in this section, Forms 1040-X and 1120-X are referred to as amended returns and Forms 1040 and 1120 are referred to as individual tax returns and corporate tax returns, respectively. The Form 1040 and Form 1120 filing populations are referred to as individual and corporate filing populations, respectively.

Individual Income Tax Returns

Amended returns

For Tax Year 2013, taxpayers filed 142.9 million individual income tax returns, of which 3.2 million, or 2.3 percent, were amended at least once within 3 years following the date that the IRS received the return (Table 1). Of the amended returns, tax increases totaled $2.5 billion and tax decreases totaled $4.6 billion, resulting in a net decrease of $2.1 billion.

Incorporating these adjustments from amended individual income tax returns into SOI statistics would decrease the estimated total amount of reported tax liability from Form 1040 filers by 0.16 percent for Tax Year 2013.

In the analysis by adjusted gross income (AGI), taxpayers were separated into two groups, married filing jointly and returns other than married filing jointly (i.e., single, married filing separately, head of household, and qualifying widow(er)).[10]

Population demographics

With respect to filing status, single, married filing separately, and widowed taxpayers represented roughly the same proportion of amended individual tax returns (Forms 1040-X) as they did individual tax returns (Forms 1040) (Figure A). Married filing jointly taxpayers filed 44.8 percent of all amended individual returns (Forms 1040-X) for Tax Year 2013, despite comprising 53.4 percent of the population of individual tax returns (Forms 1040) for the year. Conversely, head of household filers represented 16.6 percent of amended individual returns but only comprised 10.8 percent of individual tax returns.

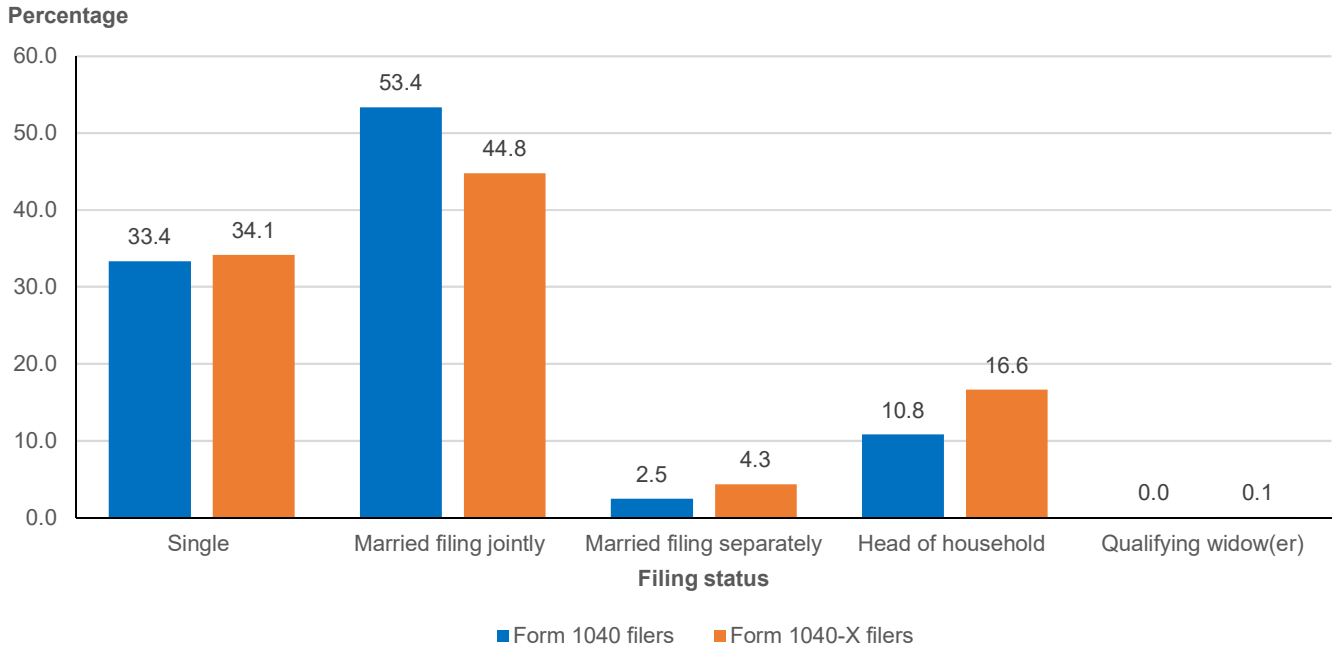
[7] Table 9a, "Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2014," of the *IRS Data Book* can be accessed at https://www.irs.gov/statistics/soi-tax-stats-irs-data-book. The 2014 issue is referenced here because it includes filings for Calendar Year 2013. As stated in footnote [1] of Table 9a, "Calendar Year 2013 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year." Additionally, the number of returns filed for 2013 is smaller than the number reported in Publication 6186 because several types of returns were excluded. For a complete list, see Table 9a.

[8] The fiscal year runs from October 1 of the given year through September 30 of the following year.

[9] This study was unable to categorically exclude superseding corporate returns.

[10] The data were divided into married filing jointly and otherwise to avoid miscounting or erroneous interpretations. A married filing jointly couple with $60,000 in AGI cannot be counted as two taxpayers who each make $60,000, nor as one taxpayer who makes $60,000, nor as two taxpayers who make $30,000 each.

Figure A
Proportion of Form 1040 and Form 1040-X Returns Filed by Filing Status, Tax Year 2013



SOURCE: IRS, Statistics of Income, August 2020.

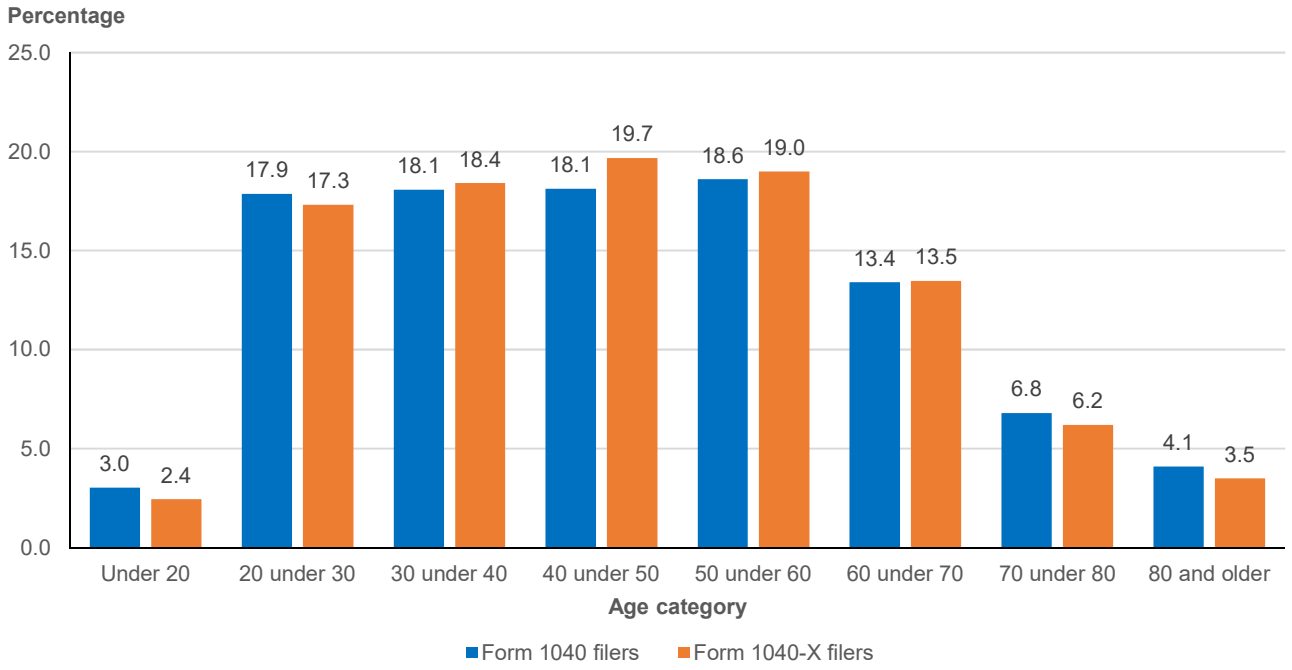
Certain filing statuses are more likely to amend their initial returns (Figure B). Specifically, 4.6 percent of returns filed by qualifying widow(er)s were amended, compared to 2.9 percent of returns filed by those married filing separately, and 2.5 percent filed by a head of household, versus only 1.7 percent of returns filed by single filers and 1.4 percent of returns filed by those married filing jointly.

The age distribution of filers among individual taxpayers who filed amended returns is roughly the same as those filing initial tax returns (Figure C). Taxpayers between ages 30 and

Figure B
Form 1040-X Filing Rates by Filing Status, Tax Year 2013

SOURCE: IRS, Statistics of Income, August 2020.

Figure C
Proportion of Form 1040 Filers and Form 1040-X Filers by Age, Tax Year 2013

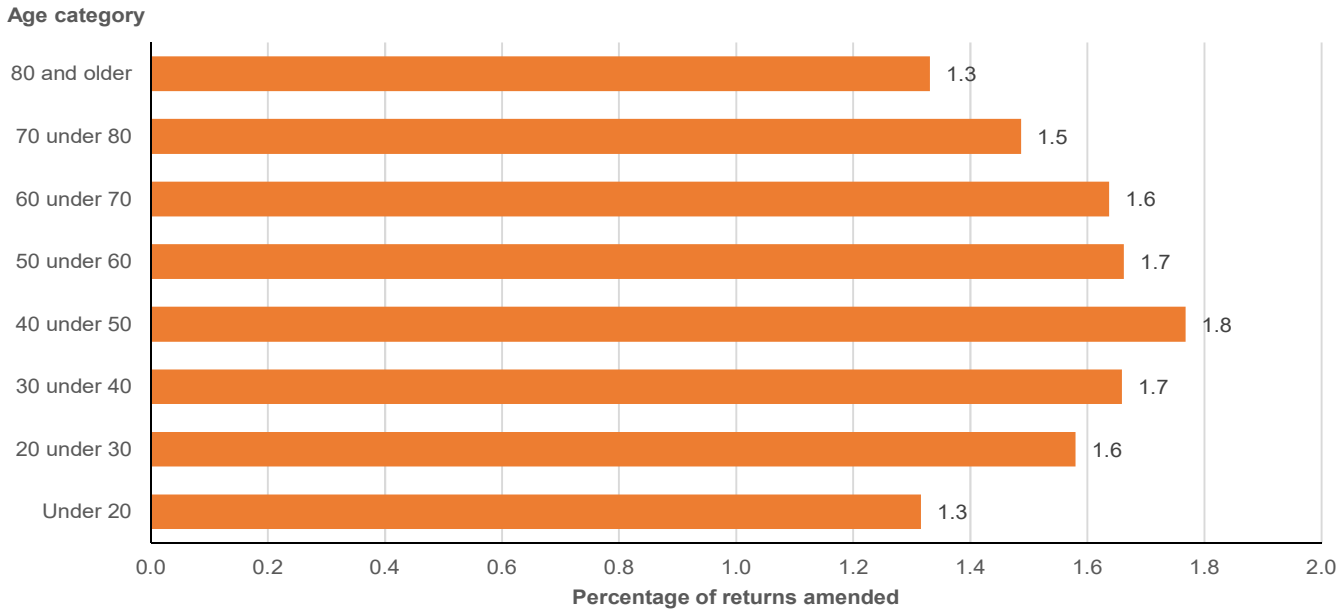


SOURCE: IRS, Statistics of Income, August 2020.

70 represented a marginally higher proportion of amended returns than individual tax returns. Individuals in the under 30 and over 70 age categories comprised a marginally lower proportion of amended returns than individual tax returns. The largest difference was in the age 40-under-50 group; these taxpayers filed 19.7 percent of the amended returns and 18.1 percent of the individual tax returns for Tax Year 2013. There were no age groups whose returns were markedly more likely to be amended (Figure D).

Returns other than married filing jointly with an AGI between $1 and $25,000 made up a smaller proportion of amended returns than they did individual tax returns, accounting for 48.5

Figure D
Form 1040-X Filing Rates by Age, Tax Year 2013



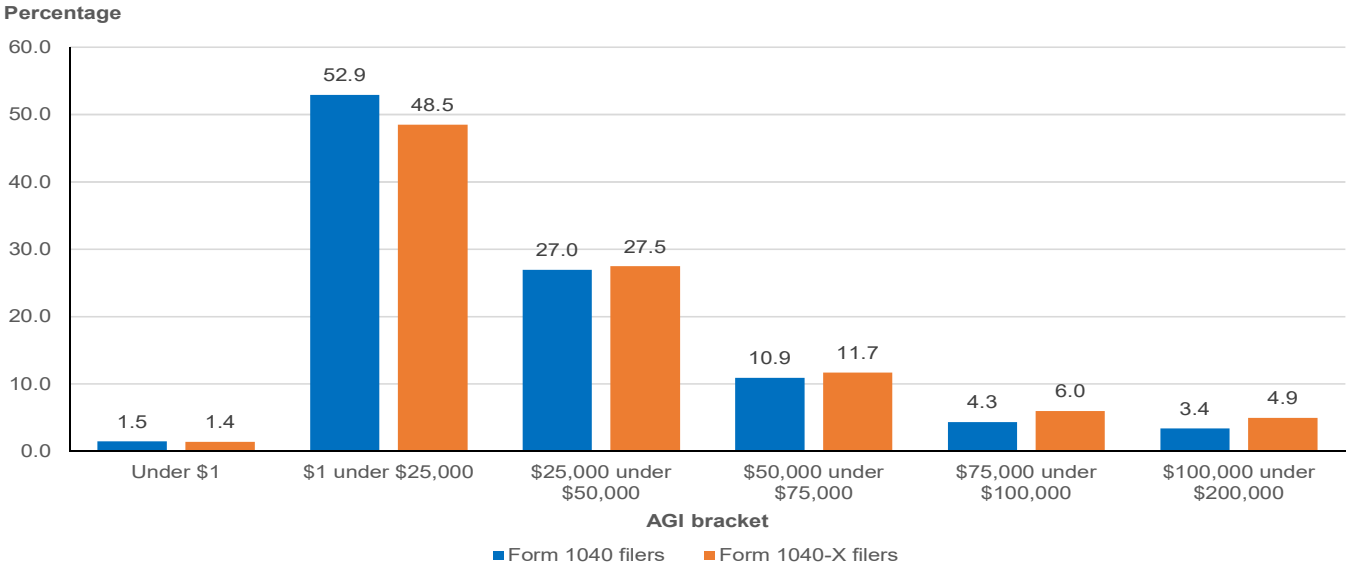
SOURCE: IRS, Statistics of Income, August 2020.

percent of amended returns and 52.9 percent of individual tax returns for the year (Figure E). Individual filers with an AGI less than $1 filed amended returns in nearly the same proportion as individual tax returns, 1.4 percent and 1.5 percent, respectively. Returns other than married filing jointly with an AGI over $100,000 were more likely to be amended (2.8 percent of filers) than returns of other AGI groups (Figure F). Filers with an AGI between $1 and $25,000 were the least likely to amend their returns (1.7 percent of filers).

Married filing jointly taxpayers with an AGI of less than $1 through the under $100,000 class of AGI filed a proportionally lower volume of amended returns than individual tax returns

Figure E

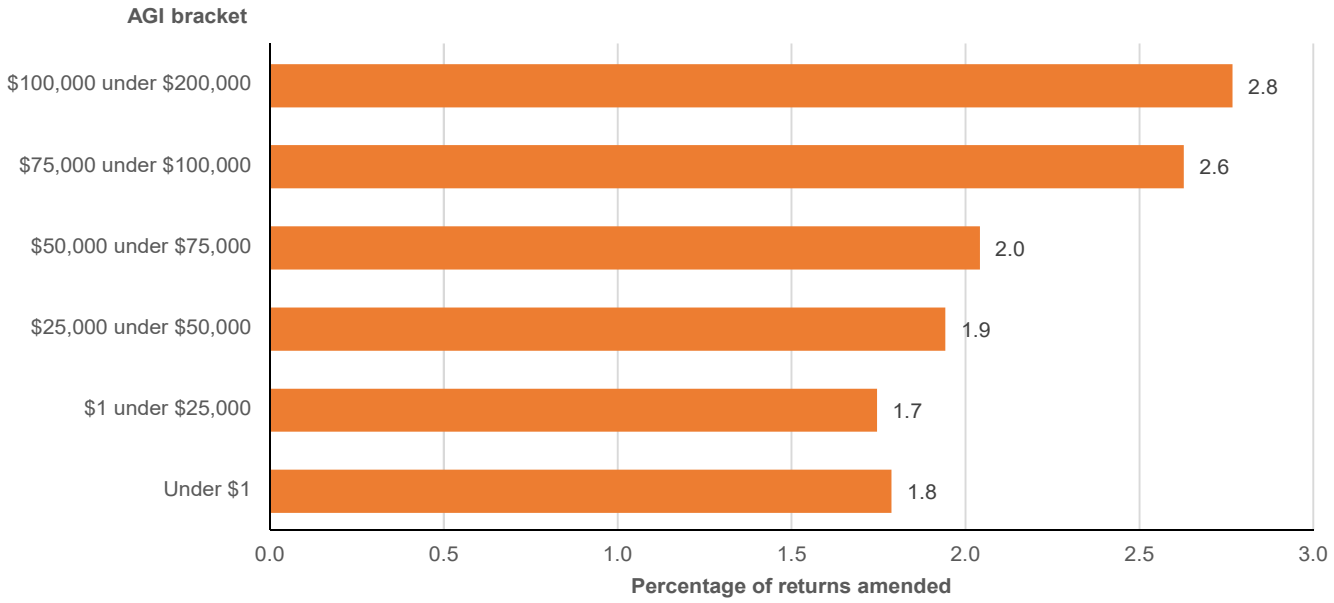
Proportion of Form 1040 and Form 1040-X Filers, Excluding Married Filing Jointly Filers, by Selected Adjusted Gross Income Bracket, Tax Year 2013



NOTE: This figure only includes filers with a marital status of single, head of household, widow(er), and married filing separately.
SOURCE: IRS, Statistics of Income, August 2020.

Figure F

Form 1040-X Filing Rates, Excluding Married Filing Jointly Filers, by Selected Adjusted Gross Income Bracket, Tax Year 2013



NOTE: This figure only includes filers with a marital status of single, head of household, widow(er), and married filing separately.
SOURCE: IRS, Statistics of Income, August 2020.

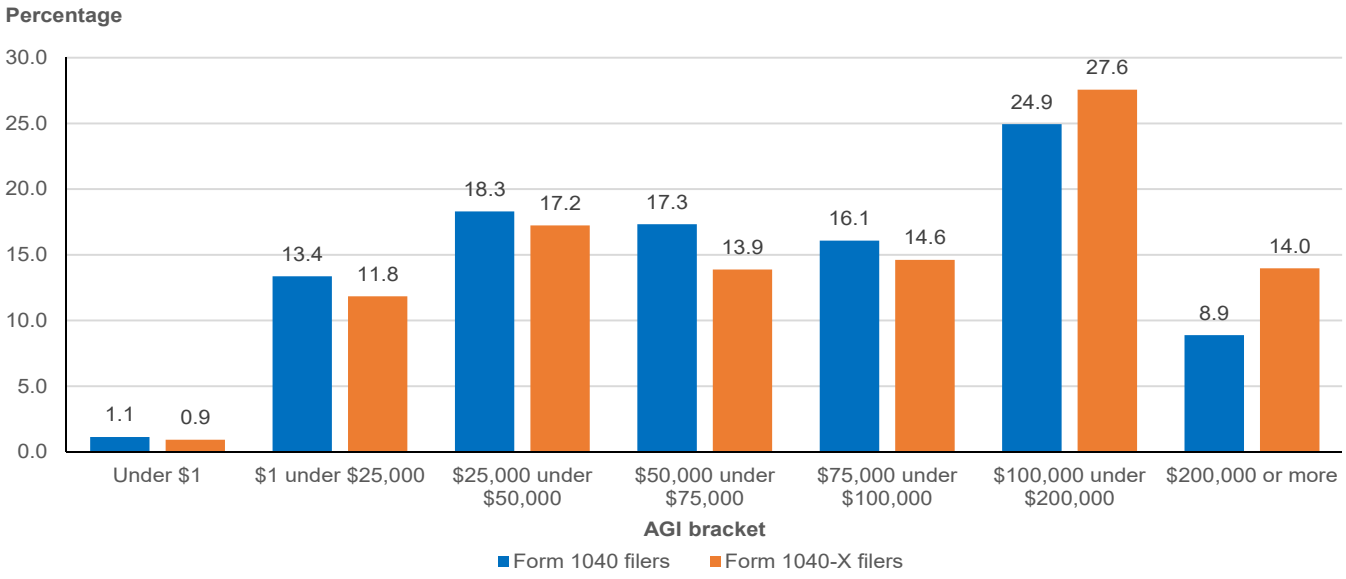
(Figure G). A significantly larger proportion of couples with an AGI of over $200,000 filed amended returns, comprising 14.0 percent of all amended returns and 8.9 percent of individual tax returns. These same taxpayers were more likely to file an amended return (around 2.2 percent of returns in this AGI group were amended) than other AGI groups (Figure H).

Examined returns

The IRS examined approximately 829,000 (0.6 percent of all) individual income tax returns filed in Tax Year 2013 (Table 1) within 3 years following the date IRS received the return. Examinations resulted in a recommended $5.0 billion increase and $646.2 million decrease in individual assessed tax adjusted

Figure G

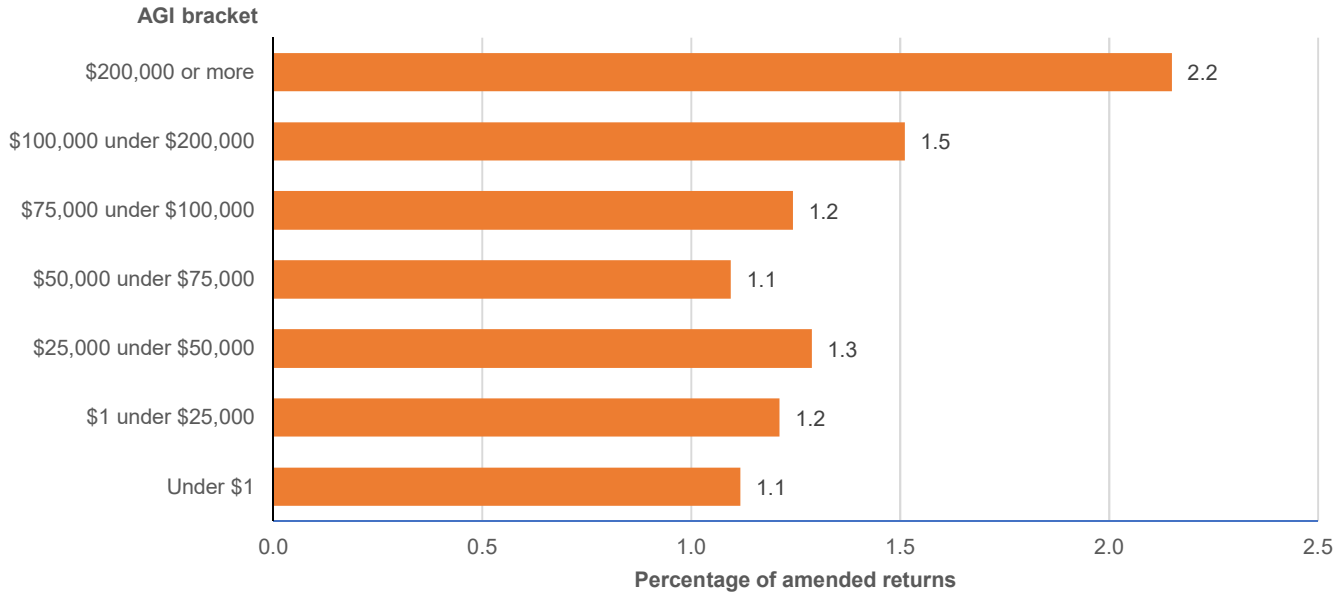
Proportion of All Married Filing Jointly Form 1040 Filers and Form 1040-X Filers by Adjusted Gross Income Bracket, Tax Year 2013



SOURCE: IRS, Statistics of Income, August 2020.

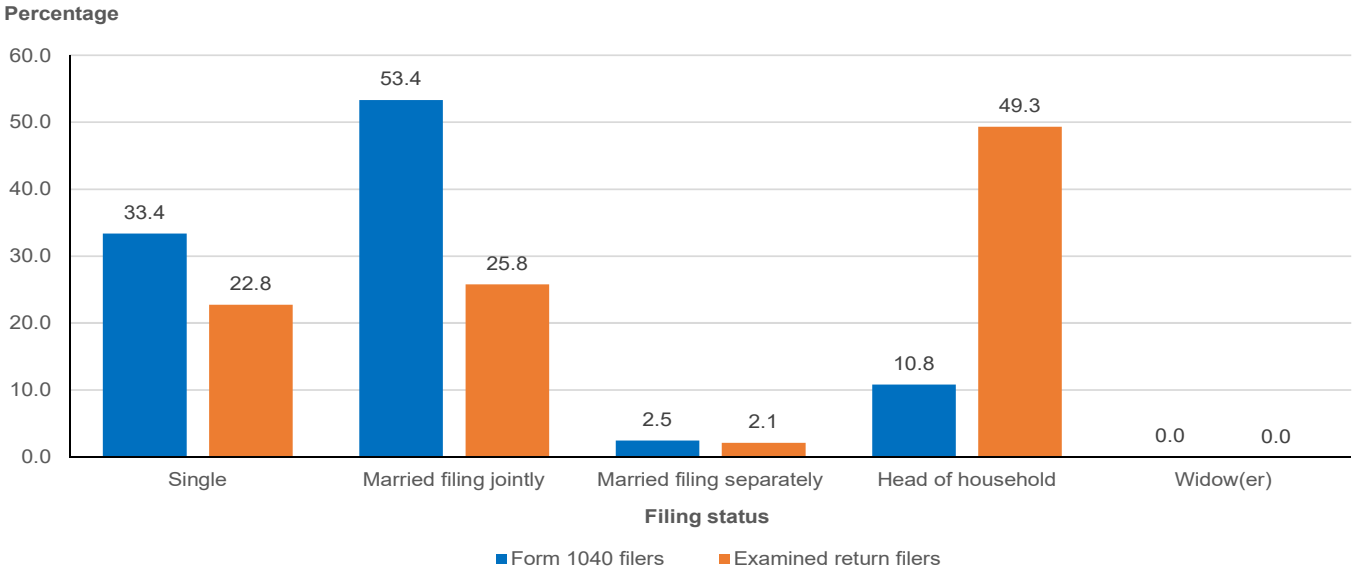
Figure H

Form 1040-X Filing Rates, Married Filing Jointly Filers, by Selected Adjusted Gross Income Bracket, Tax Year 2013



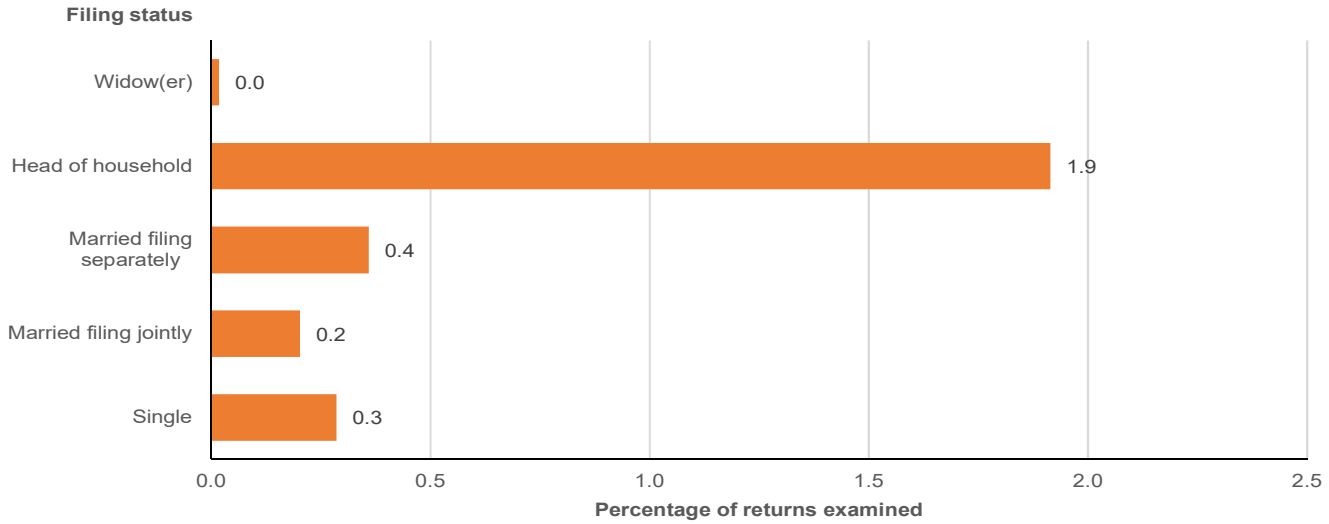
SOURCE: IRS, Statistics of Income, August 2020.

Figure I
Proportion of Form 1040 Filers and Filers of Examined Returns by Filing Status, Tax Year 2013



SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

Figure J
Form 1040 Examination Rates by Filing Status, Tax Year 2013



SOURCE: IRS, Statistics of Income, Weighted Sample, October 2019.

by credit, yielding a net total increase of $4.4 billion in tax liability. Incorporating these adjustments from examined returns into SOI statistics increased the estimated total amount of assessed taxes from Form 1040 filers by 0.34 percent.

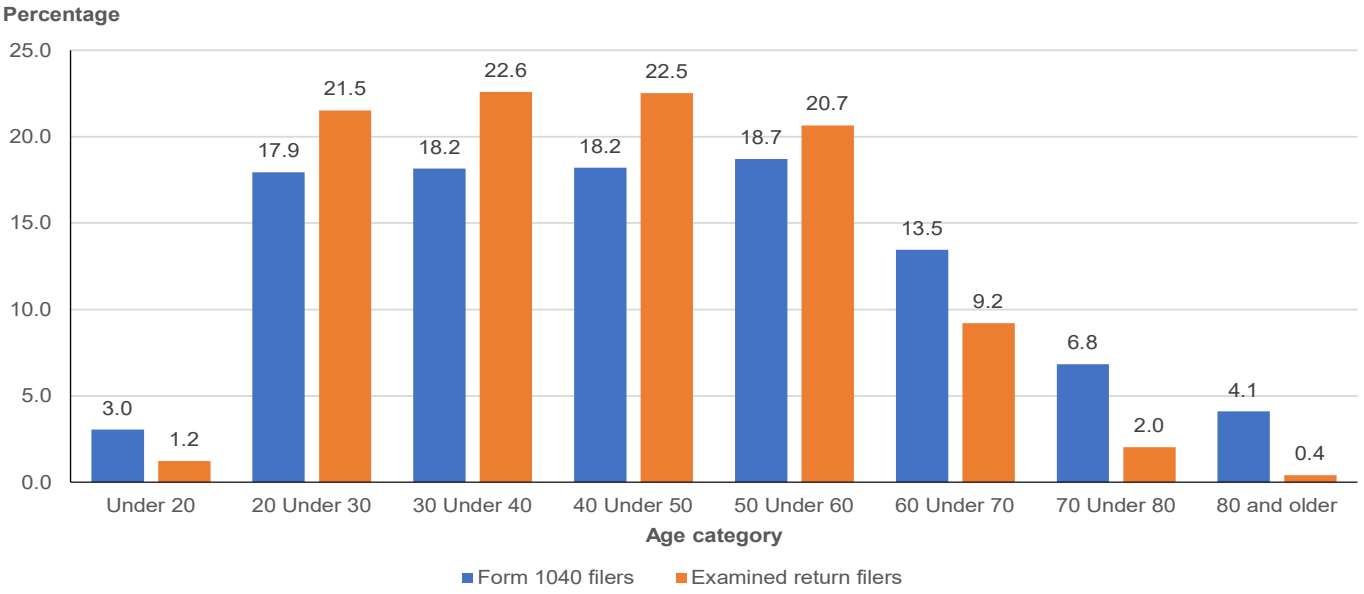
Examination demographics

Individual tax returns with filing statuses qualifying widow or qualifying widower and married filing separately made up roughly the same proportion of the examined population as they did the individual population (Figure I). Returns filed as single (22.8 percent of the examined population and 33.4 percent of the Form 1040 population) and married filing jointly (25.8 percent of the examined population and 53.4 percent of the individual population) were both much smaller proportions of the examined population than in the individual filing population. The filing status with the greatest difference in proportion of examinations and individual population was head of household making up 49.3 percent examined returns and only 10.8 percent of the individual population. Head of household returns are more likely to be examined than other categories at a rate of 1.9 percent while only 0.02 percent of widow(er) returns were examined (Figure J). Less than one percent of other categories were examined.

Individuals between ages 20 and 60 made up a greater proportion of examined returns than they did in the individual population, while individuals under 20 or over 60 made up a smaller proportion of examined returns than the individual population (Figure K). Individuals between 30 and 40 make up the greatest proportion of the examined population at 22.6 percent while only comprising 18.2 percent of the individual population; these proportions were virtually mirrored by the 20 under 30 and 40 under 50 age groups. Filers aged 80 and over make up the lowest proportion of examined returns at 0.4 percent while comprising 4.1 percent of the individual population. Individuals between ages 20 and 60 were more likely to be examined than other age groups (at around 0.5 percent) (Figure L).

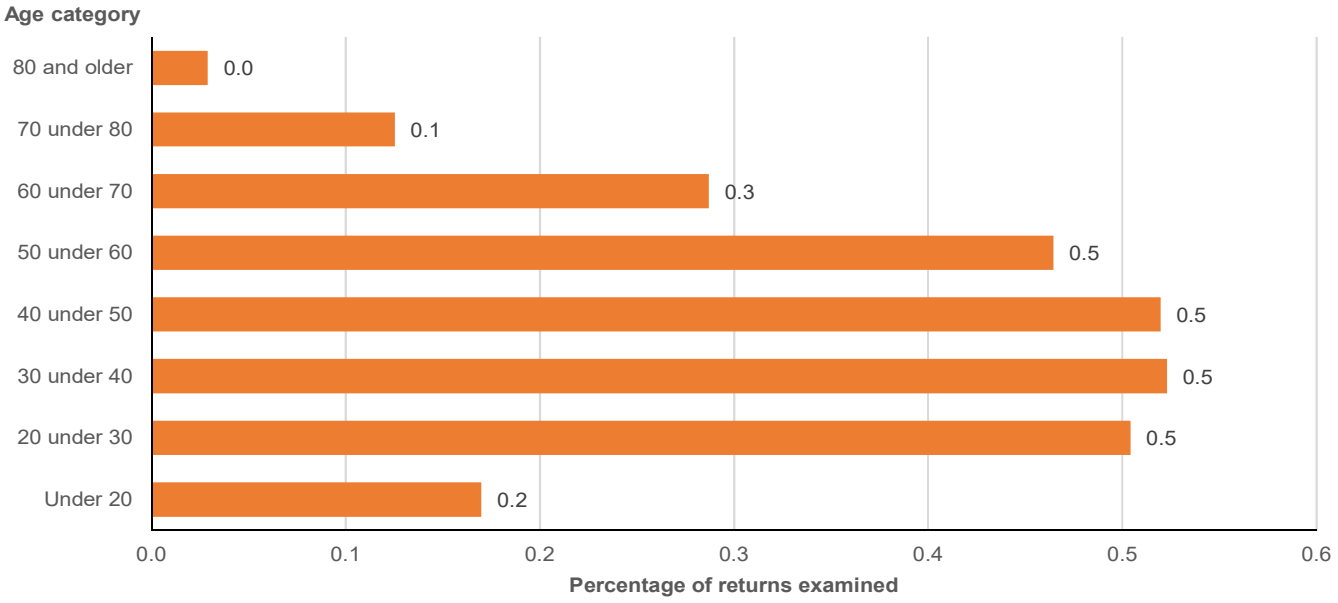
Similar to amended returns, examined returns were grouped by filing status and then adjusted gross income. The group in Figure M consists of filing statuses single, married filing

Figure K
Proportion of Form 1040 and Examined Return Filers, by Age, Tax Year 2013



SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

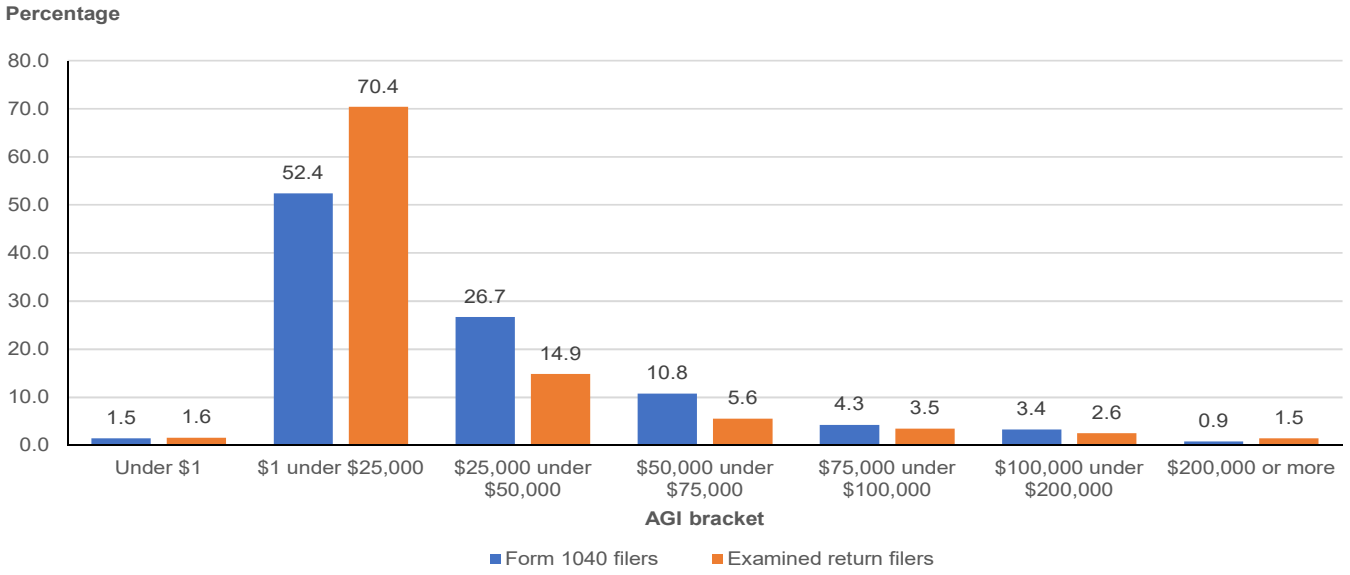
Figure L
Form 1040 Examination Rates by Age, Tax Year 2013



SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

Figure M

Proportion of Form 1040 and Examined Return Filers, Excluding Married Filing Jointly Filers, by Adjusted Gross Income Bracket, Tax Year 2013



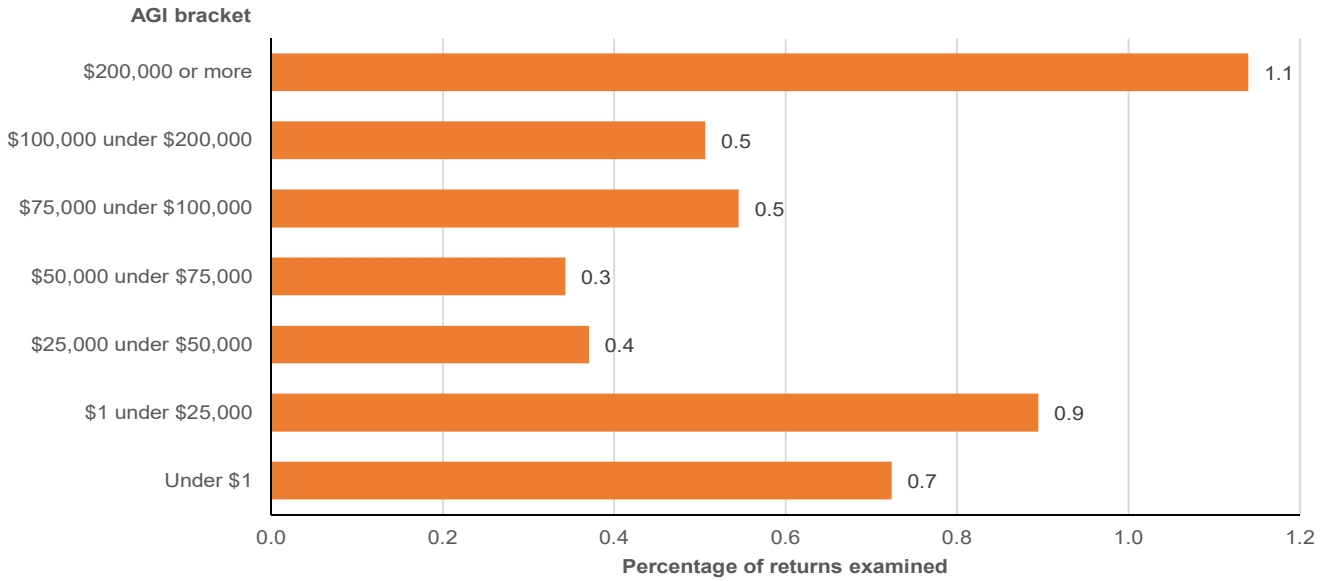
NOTE: This figure only includes filers with a filing status of single, head of household, widow(er), and married filing separately.
SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

separately, head of household, and qualifying widow or qualifying widower. The majority of returns examined in this group were in the $1 under $25,000 category, comprising 52.4 percent of the filing population but 70.4 percent of the examined population (Figure M). The smallest population in this group were those with an AGI over $200,000. While only 0.9 percent of the Form 1040 population was in this AGI group, they accounted for 1.5 percent of the examinations. Returns in this group were also the most likely to be examined (1.1 percent) (Figure N).

The group in Figure O includes returns filed as married filing jointly. Married couples with AGI $1 under $75,000 were a smaller proportion of examinations than their proportion of

Figure N

Form 1040 Examination Rates, Excluding Married Filing Jointly Filers, by Adjusted Gross Income Bracket, Tax Year 2013



NOTE: The filing statuses included in this figure are single, head of household, widow(er), and married filing separately.
SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

the filing population (Figure O). Couples with an AGI between $50,000 and $75,000 had the lowest proportion of examined returns relative to their proportion of the filing population, filing just 8.5 percent of examinations, but 17.5 percent of individual tax returns. While individual tax returns with over $200,000 of AGI comprised 17.8 percent of the examined population, they formed only 9.0 percent of the individual filing population. Couples with under $1 of AGI and over $75,000 accounted for a far greater proportion of the examined population than the overall filing population. Couples with an AGI under $1 were the most likely to be examined (0.5 percent) (Figure P).

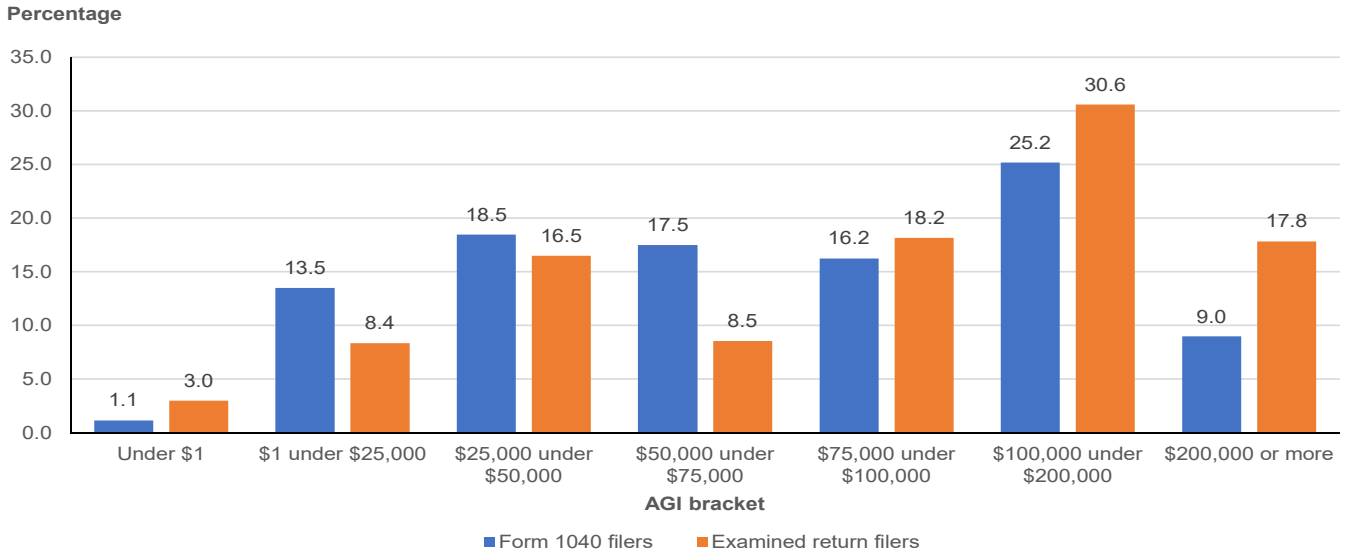
Corporate Income Tax Returns

Amended returns

Of the 1.6 million corporate tax returns included in the 2013 SOI study year, 8,200 (0.52 percent) were amended in the 3 years following the date IRS received the return (Table 2). These

Figure O

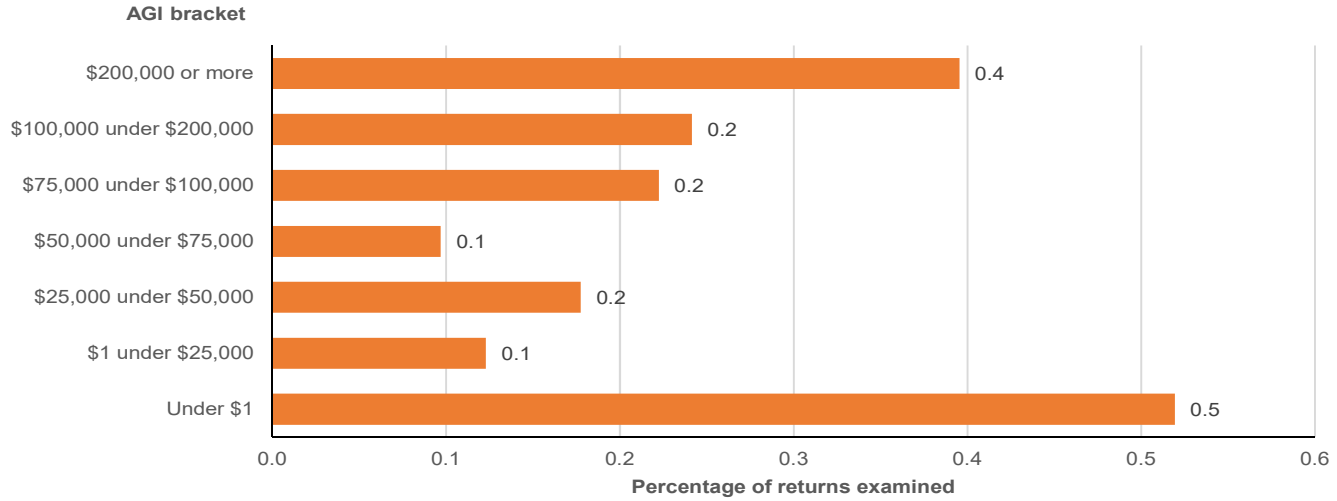
Proportion of All Form 1040 Married Filing Jointly Filers and Examined Return Filers, by Adjusted Gross Income Bracket, Tax Year 2013



SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

Figure P

Form 1040 Examination Rates, Married Filing Jointly Filers, by Adjusted Gross Income Bracket, Tax Year 2013



SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

filers reported a net tax overpayment of $87.8 million. Tax increases for 1,300 amended corporate tax returns totaled $30.4 million while tax decreases for 1,800 returns totaled $118.2 million. There were 5,100 amended corporate tax returns with no tax change. Incorporating adjustments from amended returns into SOI statistics would decrease the estimated total amount of taxes paid by these filers by $87.8 million (0.03 percent) for Tax Year 2013.

Classification

The majority of amended corporate income tax returns were electronically filed. The IRS requires that if the original Form 1120 is e-filed then the Form 1120-X must also be e-filed. Approximately 70 percent of Forms 1120 were e-filed compared to 74 percent of Forms 1120-X.

Based upon SOI-assigned industry codes, the industrial sectors that had the highest rates of amended corporate tax returns were Management of Companies and Enterprises, Manufacturing, and Information (1.7 percent, 1.4 percent, and 1.1 percent, respectively, Figure Q). The sectors with the lowest amendment rates were Transportation and Warehousing, Real Estate and Rental and Leasing, and Utilities (0.04 percent, 0.15 percent, and 0.18 percent, respectively).

Corporations with assets between $100,000 and $250,000 had the lowest amendment rate (0.5 percent, Figure R). The amendment rates rose as assets increased up to the peak—corporations with reported assets between $25 million and $50 million—where the amendment rate was approximately 2 percent, and then declined from there.

Examined returns

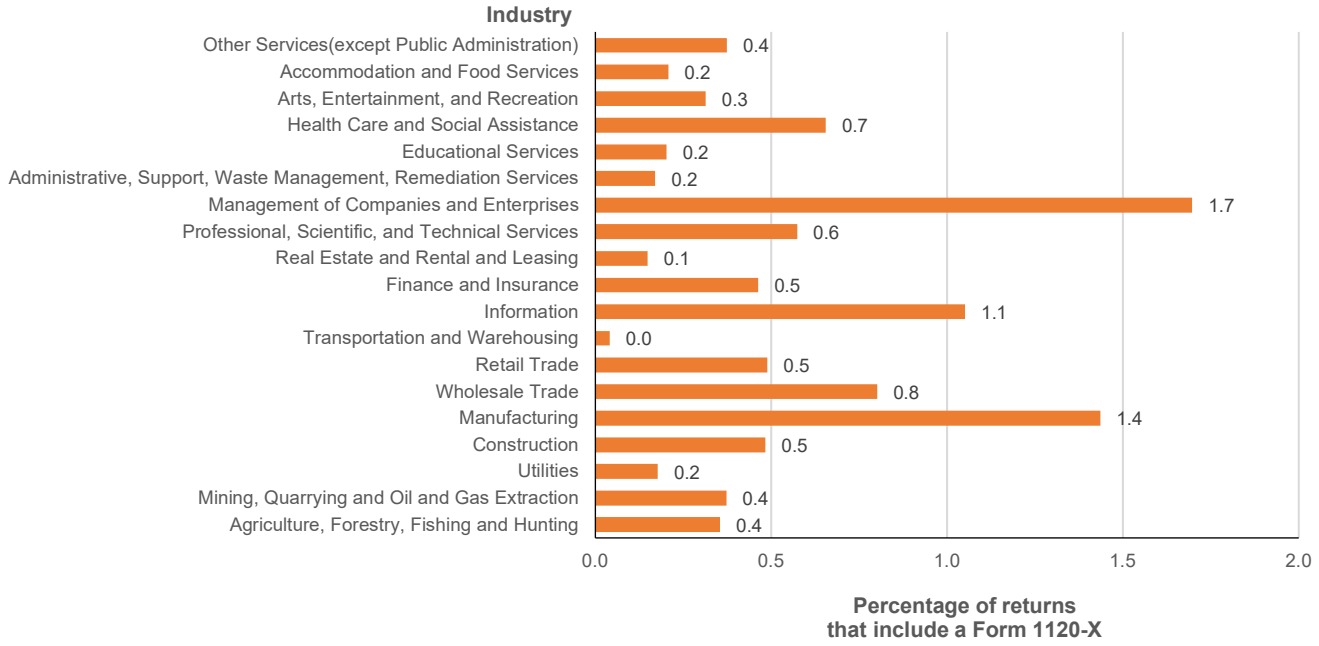
The following preliminary examination estimates for corporations were based on IRS data from Forms 1120, 1120-RIC, 1120-REIT, 1120-L, and 1120-PC. Forms 1120S and 1120-F have been excluded.

Out of 1.6 million total corporate tax returns included in the 2013 SOI study year, approximately 12,900 (0.79 percent) were examined in the 3 years following the date IRS received the return (Table 2). The IRS recommended a net total corporate tax increase adjusted by credits of $2.9 billion. Recommended increases from approximately 5,300 examined returns totaled $4.9 billion and recommended decreases from approximately 1,300 examined returns totaled $2.0 billion, while approximately 6,300 examined returns had no recommended tax change. Incorporating adjustments from examined returns into SOI statistics would increase the estimated total amount of assessed taxes from these filers by approximately 1 percent.

Classification

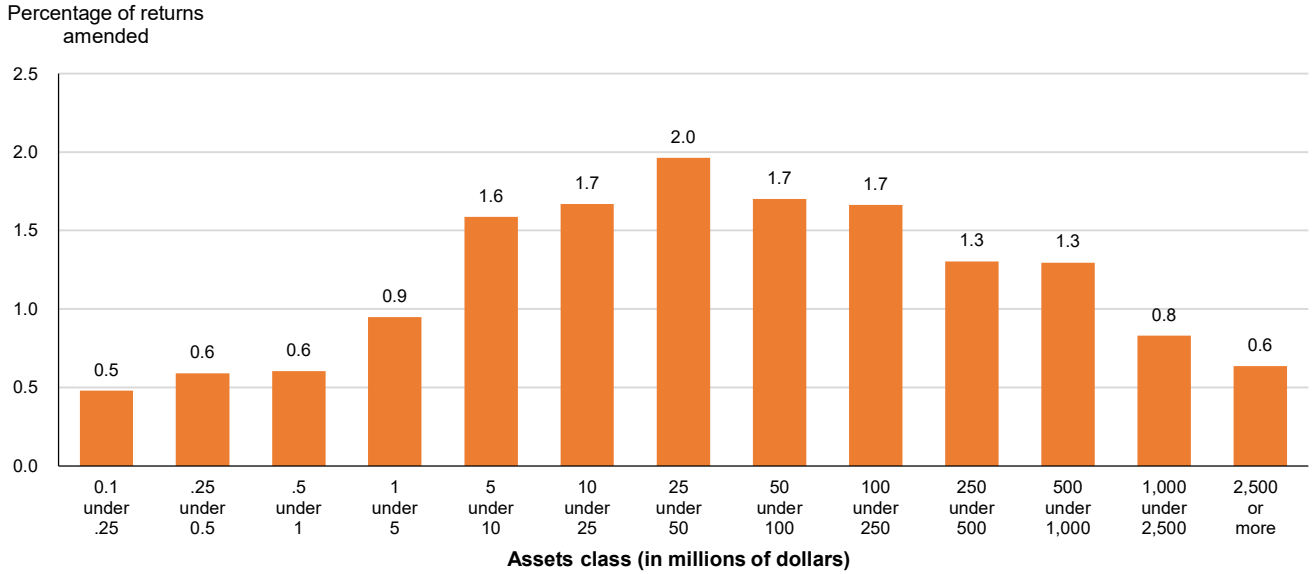
The major industries that had the highest examination rates were Educational Services (2.2 percent), Manufacturing (1.9 percent), and Accommodation and Food Service (1.7 percent) (Figure S).

Figure Q
Form 1120-X Filing Rates by Industry, SOI Year 2013



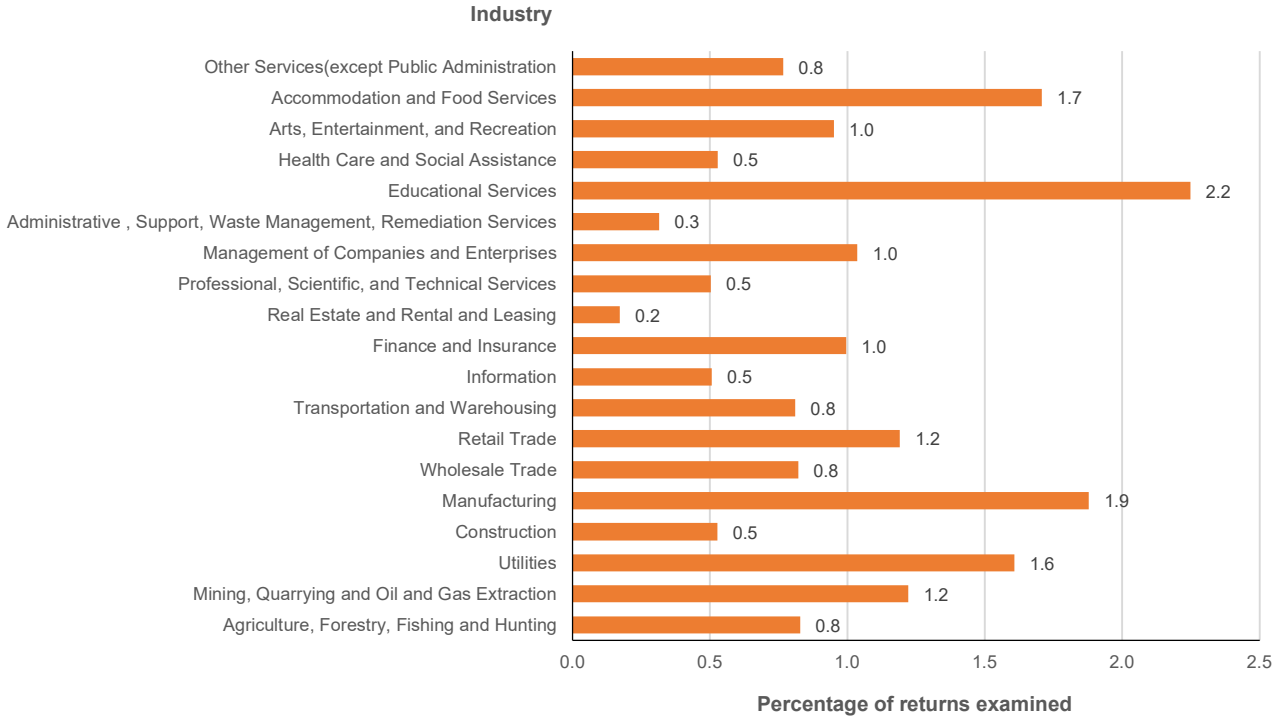
SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

Figure R
Form 1120-X Filing Rates by Size of Total Assets, SOI Year 2013



SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

Figure S
Form 1120 Examination Rates by Industry, SOI Year 2013

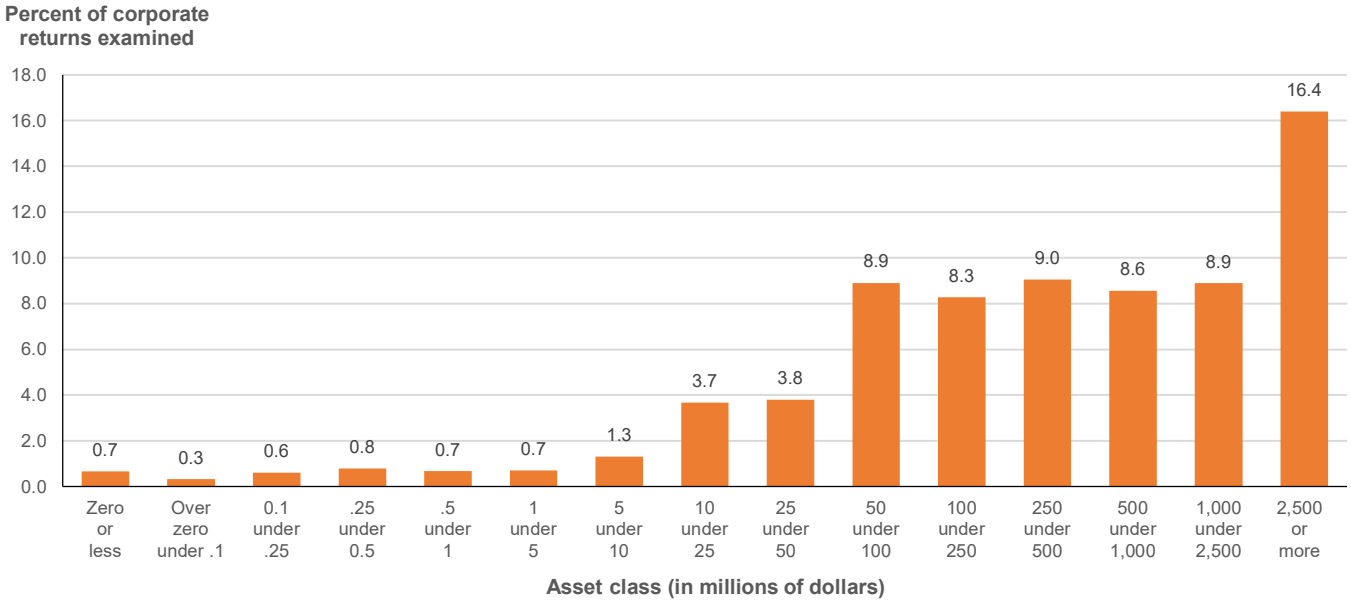


SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

The major industries that had the lowest examination rates were Administrative, Support, Waste Management, Remediation Services (0.32 percent); Real Estate, Rental, and Leasing (0.017 percent); and Professional, Scientific, and Technical Services (0.50 percent).

Corporations that reported higher assets were more likely to be examined by the IRS (Figure T). The examination rates jumped up for returns with reported assets of $50 million or more. More specifically, approximately 16.4 percent of corporations in the highest asset bracket ($2.5 billion or more) were

Figure T
Form 1120 Examination Rates by Size of Total Assets, SOI Year 2013



NOTE: Amended returns filed for Tax Year 2013.
SOURCE: IRS, Statistics of Income, Weighted Sample, August 2020.

examined, while less than 1.0 percent of corporations in the lowest asset bracket ($0 or less) were examined (0.7 percent).

Conclusion/Summary

In conclusion, this study sought to measure the impact that post-filing adjustments would have on SOI tax return statistics. There are two important observations about SOI estimates for individual and corporate income tax returns that can be made based on the results of this study.

First, in this preliminary study looking at 2013, some 2.3 percent of individual income tax returns (Forms 1040) and 0.52 percent of corporate income tax returns (Forms 1120) were amended (using Forms 1040-X and 1120-X, respectively). These amendments decreased the estimated total tax from individual filers by $2.1 billion (0.16 percent) and decreased the estimated total tax from corporate filers by $87.7 million (0.03 percent).

Second, only 0.6 percent of individual income tax returns and 0.79 percent of corporate income tax returns from 2013 were examined. The estimated recommended change from these examinations would increase the estimated total amount of taxes assessed from individual filers by $4.4 billion (0.34 percent) and increase the estimated total amount of taxes assessed from corporate filers by approximately $2.85 billion (0.98 percent).

Taken together, this study's review of individual and corporate tax returns from 2013 suggests that while SOI tax return statistics would be affected by post-filing adjustments, current SOI statistics do not significantly change.

Discussion

Study challenges/limitations

There are a number of study limitations that may affect the quality of the results. This section discusses some of these limitations, but is not exhaustive.

In some circumstances regarding examinations, taxpayers arrive at settlements with the IRS that override prior posted tax recommendations. In an effort to safeguard taxpayer privacy, information pertaining to examinations is limited.

Legislative and regulatory changes in years after 2013 could affect adjustments to 2013 returns if later changes in tax liability are carried back to 2013. In such cases a corporation may request a Tentative Allowance of a carryback of a credit or loss within the statutory period of limitation. Typically, corporations use *Corporation Application for Tentative Refund* (Form 1139) for this purpose.[11] There are some cases when the taxpayer prefers to file Form 1120-X over Form 1139. Although some Forms 1120-X might include both a carryback adjustment and

[11] Corporations should file Form 1120-X or other amended return instead of Form 1139 when carrying back to years that have a section 965(a) inclusion ("a 965 year"); a prior year minimum tax credit released due to an NOL (net operating loss) or net capital loss carryback; a prior year foreign tax credit released due to an NOL or net capital loss carryback, a prior year general business credit released because of the release of the foreign tax credit, or an NOL for a year for which a corporation has a 965(a) inclusion.

a general tax adjustment claim, only a general tax adjustment is within the scope of the study. Thus, the carryback adjustments are not included in the study calculations.

At this time, some data posted to the IRS Master File do not clearly distinguish recommended changes from paid amounts. In the tables used as part of this study, the posted tax change is a recommendation, not a paid amount. In some postings, the information posted is part of an installment payment (and does not reflect the full amount). In processing, there may be tax adjustments which are posted in multiple installments (*i.e.*, a partial tax adjustment is posted and later the remainder of the tax adjustment is posted).

Additionally, this study does not capture all possible post-filing adjustments related to examinations. It is important to consider the open-ended nature of IRS examinations. It is possible that there are still significant outstanding examinations related to Base Year 2013. Typically, the IRS opens examinations within the 3-year statute of limitations outlined in the Internal Revenue Code. However, there are several exceptions to this general rule. The IRS may initiate an examination 6 years after initial filing under the following conditions: fraudulent tax activities, undisclosed foreign assets with omitted income more than $5,000, or if the taxpayer omits income in excess of 25 percent of that which was reported on the tax return. Moreover, the overall examination process can take longer than 3 years and up to 10 years in order to collect outstanding tax debts.

Large changes after filing could result in a sample that is no longer weighted correctly to reflect the total population. Any large post-filing season changes could affect the value of total assets or other amounts used in the weighting scheme. Therefore, it is important to identify alterations to the size of total assets, income, or gross receipts that could trigger a subsequent assignment of the return to a higher or lower sample class. For example, a reclassification to a higher sample class may result in the movement of returns from noncertainty strata to certainty strata, which initiates the process of recalculating the weights.

For this study, weights were not recalculated after amendments.[12] Instead, the weighted sample data were compared to the true population. This verified that the weights were appropriate for the study and that the strata were not significantly changed. Future studies should verify weights and consider recalculating them if the differences are significant. One impediment to recalculating weights is that there may be errors in the Master File data. SOI study weights are based on SOI data, which go through editing and quality review, but data posted to the IRS Master File are as reported by the taxpayer.

There are additional ways to amend Form 1120, but they are outside the scope of this study. The corporate part of this study only collected data from Form 1120-X to estimate amendments to Form 1120. Future studies may consider additional ways of filing an amendment.

Appendix

Sampling details

All dollar values and counts presented in the results section of this paper for individual and corporate returns are population estimates that have been weighted in accordance with the sample weighting scheme for the 2013 *Complete Reports* for individual and corporate returns.

Individual sample

Individual income tax statistics for this article are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed for Tax Year 2013. SOI stratified the returns in the sample based on the: (1) larger of positive income or negative income (absolute value); (2) size of business and farm receipts; (3) presence or absence of specific forms or schedules; and (4) usefulness of returns for tax policy modeling purposes. SOI then selected returns at rates ranging from 0.10 percent to 100 percent.

Corporate sample

Corporate income tax statistics for this article are based on a sample of corporate income tax returns (Forms 1120) filed during SOI Year 2013. SOI stratified the returns in the sample based on (1) the size of the total assets, and (2) the size of the "proceeds," which is the measure of income for this form. SOI then selected returns for Form 1120 at rates ranging from 0.40 percent to 100 percent.[13]

Definitions

Amended return—For purpose of this article only, amended returns are defined as a return that was amended using Form 1040-X or 1120-X.

Form 1040-X—A form filed to change a previously filed Form 1040 or Form 1040-X. It must be filed on paper within 3 years of the original return's filing date or within 2 years of the tax being paid, whichever is later. Special exemptions for the statute of limitations exist for net operating loss, loss carrybacks, foreign tax credits, and bad debt.

Form 1120-X—A form filed to change a previously filed corporate return. It can be either e-filed or paper filed within 3 years of the original return's filing date or within 2 years of the tax being paid, whichever is later. In the event of bad debt or a worthless security, the statute of limitations is extended to 6 years.

Examined return—A return that is examined for the accuracy of reported income, expenses, and credits. Examinations are typically initiated within 3 years but can be initiated up to 6 years later if substantial errors are identified, though there is no statute of limitations.

[12] All corporate dollar values and counts presented in this paper are population estimates that have been weighted in accordance with the SOI 2013 corporate sample weighting scheme based in part on size of total assets.

[13] See *2013 Corporation Income Tax Returns Complete Report,* Section 3: Description of the Sample and Limitations of the Data. "Corporation Returns: Number Filed, Number in Sample, and Sampling Rates, by Selection Class," https://www.irs.gov/pub/irs-soi/13coccr.pdf.

Publication 6186—Calendar Year Return Projections for the United States and IRS Campuses—This publication provides the total number of returns filed historically and future projections of returns to be filed, ordered by form and type of return.

Publication 1304—Individual Income Tax Returns (Complete Report)—The Individual Complete Report publication contains complete individual income tax data. The statistics are based on a sample of individual income tax returns, selected before examination, which represents a population of Forms 1040, 1040-A, and 1040-EZ, including electronic returns.

The report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified taxable income, tax credits, self-employment tax, and tax payments.

Publication 16—Corporation Income Tax Returns (Complete Report)—The Corporation Complete Report publication contains complete corporate income tax data. The statistics are based on a sample of corporate income tax returns selected before examination. The report contains data on the number of returns, total assets, total receipts, and net income (less deficit), income subject to tax, total income tax before credits, and total income tax after credits for active corporations.

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This article was written by Derrick Dennis, an operations research analyst with the Servicewide Support Section, under the direction of Timothy Castle, Chief; Jennifer Ferris, formerly an economist with the Individual and Tax Exempt Special Studies Section, under the direction of Michael Weber, Acting Chief; Gloria Gagin, an economist with the International Returns Analysis Section, under the direction of Chris Carson, Chief; Tuba Ozer-Gurbuz, an economist with the Partnership & Special Projects Section, under the direction of Joe Koshansky, Chief; Julia Shiller, an economist with the Corporation Returns Analysis Section, under the direction of Martha Harris, Chief; and Christopher Williams, an economist with the Individual Returns Processing and Data Perfection Section, under the direction of Scott Hollenbeck, Acting Chief. Jennifer Ferris is currently with the SEC. This article was written under the direction of Barry Johnson, Acting Chief Research and Analytics Officer.

Table 1. Effects of Post-filing Adjustments on Forms 1040, Tax Year 2013
[Money amounts are in millions of dollars]

Item	Amendments [1]	Examinations
	Recommended tax change	Recommended tax change
	(1)	(2)
Increases to tax	2,500	5,000
Decreases to tax	4,600	600
Net impact on SOI estimates [2]	**-2,100**	**4,400**
Percent effect on SOI estimates	**-0.16%**	**0.34%**
Net impact on SOI final total tax estimates [3]	**0.18%**	

[1] Amendments refers to post-filing adjustments induced by a Form 1040-X.
[2] This row is calculated from approximately 3.2 million amended returns and 829 thousand examined returns.
[3] This row is the sum of totals from amendments and examinations.
SOURCE: IRS, Statistics of Income Division, August 2020.

Table 2. Effects of Post-filing Adjustments on Forms 1120, Tax Year 2013
[Money amounts are in millions of dollars]

Item	Amendments [1]		Examinations [2]	
	Number of returns	Recommended tax change	Number of returns	Recommended tax change
	(1)	(2)	(3)	(4)
Increases to tax	1,251	30,397	5,265	4,870,400
Decreases to tax	1,778	118,200	1,245	2,020,000
Net impact on SOI estimates [3]	**3,029**	**-87,803**	**6,510**	**2,850,400**
Percent effect on SOI estimates	**0.16%**	**-0.03%**	**0.34%**	**0.98%**

[1] Strictly includes returns intially filed with Form 1120.
[2] Returns initially filed with Forms 1120S and 1120F are excluded.
[3] Returns with no change to tax are not included.
SOURCE: IRS, Statistics of Income Division, August 2020.

Implementation of the Tax Cuts and Jobs Act of 2017: An SOI Response

by Martha Harris

A Context for Response

The Tax Cuts and Jobs Act (TCJA) of 2017 became law (P.L. 115-97) on December 21, 2017, and many of its provisions affected the income tax returns filed by businesses and individuals after December 31, 2017. Statistics of Income (SOI) responded expeditiously to first understand and then to identify where TCJA provisions applied to SOI studies and implement the necessary changes. Most importantly, SOI's experience with TCJA was different from any other major tax legislation due to the magnitude of its impact on SOI studies and the resources needed for SOI to respond. Specifically, SOI identified nearly 80 provisions in the TCJA legislation that affected the datasets used in its studies and incorporated 17 new income tax forms and approximately 1,000 new data items as a result. Nearly half of these new tax forms were in response to TCJA's international provisions. In addition, some previously filed international schedules would now be filed numerous times for each foreign subsidiary, based on their foreign tax credit income category.

Prior to TCJA, there were approximately 50 pieces of tax legislation passed following the Tax Reform Act of 1986 (TRA).[1] Each had varying degrees of impact on SOI studies, with the 1986 Act thought of as the next closest in scope to TCJA. TRA and TCJA both contained provisions in such areas as individual tax rates, State and local sales tax deductions, personal exemptions and standard deductions, individual and corporate alternative minimum tax, net operating losses, property expensing, and the investment tax credit, among others. TCJA introduced changes in additional areas such as the deduction for qualified business income from certain trades or businesses, including partnerships, S-corporations, sole proprietorships (also referred to as the Code section 199A deduction); the limitation on the business interest expense deduction (also referred to as Code section 163j deduction); qualified opportunity zones; and a transition tax under a new Code section 965 on the untaxed accumulated foreign earnings and profits from foreign subsidiaries of U.S. companies.

In the years before and after TCJA, SOI's core mission has remained the collection, analysis, safeguarding, and dissemination of information on Federal taxation while adapting to the changing environment within IRS and the Federal statistical and tax policy communities. For example, SOI's mission includes statistical support provided to the IRS for program evaluation and measurement analytics as well as leading efforts to modernize Federal statistical programs and practices in collaboration with the Federal statistical community. SOI was thus well positioned to respond to the challenges of incorporating the complex requirements introduced with TCJA.

A Response Strategy

Work to identify the many changes to SOI's studies following the passage of the TCJA commenced among SOI's subject-matter and program development areas, which included income tax studies on corporations, individuals, international, partnerships, and tax-exempt organizations. These study areas already had time-tested procedures and timelines for developing and implementing each year's study program. Due to TCJA's scope, however, SOI implemented additional tools and strategies to help identify, communicate, assess, and stay informed across SOI as follows:

Identify (The Tax Cuts and Jobs Act Inventory by SOI Study Area): SOI reviewed the TCJA legislation for provisions affecting its studies respectively in the corporation, individual, international, partnership, and tax-exempt areas and compiled an inventory (Figure A). From this inventory, it was possible to identify cases in which a provision affected more than one study, thus providing opportunities for staff coordination. Approximately 20 percent of the TCJA provisions affected more than one study. This tool was further expanded with indicators internal to SOI to assist in the resource management of incorporating TCJA requirements. Such indicators included whether the new items would be included in the schema for electronic filing, thus reducing SOI transcription costs; subject-matter assessment of tax administration priority in consultation with customers; and the impact on SOI resources. Subsequently, milestone dates were established toward finalizing SOI requirements, which informed anticipated implementation dates for its various studies.

Communicate: SOI staff engaged in early and ongoing communications with its primary customers to ensure that study content would align with their additional needs for tax policy analysis, adjusting as needed based on any new information. SOI also stayed apprised of TCJA implementation within IRS through regular participation in conference calls conducted by the respective teams, which had been organized within the business operating divisions. For example, teams were established for the section 199A deduction and new section 965 changes, among others. In addition, a centralized strategy was employed consisting of a series of written updates shared among SOI staff and highlighting the ongoing work being undertaken throughout the IRS with the information compiled from two sources. The first grew out of attendance by SOI's Initiative Coordinator at weekly meetings of the Tax Reform Implementation Council, summarizing implementation progress across the IRS business units to include proposed and final regulations. These updates from the Large Business & International, Small Business

[1] See Urban Institute and Brookings Institution Tax Policy Center. Laws and Proposals. https://www.taxpolicycenter.org/laws-proposals.

& Self-Employed, and Tax Exempt & Government Entities Business Operating Divisions were an additional tool for staff efforts to map changes to SOI study areas and to provide contacts for any necessary follow-up. The second source resulted from coordinated action to pull together guidance such as Fact Sheets, Tax Tips, and Frequently Asked Questions (FAQs) posted to the IRS Website, as well as IRS publications and forms as they were being drafted. The additional support in tracking ongoing progress within the IRS coincided with planning SOI's studies.

Assess Impacts on Other SOI Customers: SOI communicated closely with its Federal agency customers as it incorporated changes due to TCJA. Interagency agreements were reviewed to identify its impact and determine how taxpayer reporting could change based on revisions to the forms for Tax Year 2018. The annual process of producing SOI's study content documentation is very adaptable to identifying points of change relating to major tax legislation.[2] SOI documented this information and shared it with its Federal customers.

Stay Informed by Building a Knowledge Base: SOI staff engaged in opportunities to increase their understanding of TCJA and the types of changes it would introduce to the datasets used to conduct SOI's studies. The SOI Consultants Panel meeting in September 2018 featured presentations on both individual and business income tax topics and provided valuable suggestions for meeting the needs of the tax community.[3] In addition, SOI staff sought training on the effects of TCJA, attending conferences addressing this specific topic, including those sponsored by the National Tax Association and academic institutions, which also provided the perspectives of tax policy and legal experts. Finally, the IRS business units developed training materials on the effects of TCJA on individual and business income taxes and shared these materials with SOI staff.

Filing Season for Tax Year 2018 Income Taxes and Beyond

With the commencement of the 2019 filing season for income taxes filed by individuals and businesses for Tax Year 2018, SOI and the IRS Wage and Investment Division (W&I) had a unique opportunity to work together in the review of incoming totals. Specifically, these corresponded to a number of key lines from the *U.S. Individual Income Tax Return* (Form 1040) and schedules, including *Itemized Deductions* (Schedule A). With the number of changes introduced by TCJA, the advantage of conducting joint comparisons to identify emerging trends during early points in the filing season was mutually beneficial. This strategy built upon prior discussions between Research, Applied Analytics, and Statistics (RAAS) and the IRS Tax Reform Implementation Office (TRIO) to anticipate areas of change that could be of the most interest when thinking about early public releases of population statistics. Subsequently, SOI contributed its expertise in data presentation to prepare data tables and graphical presentations for IRS leadership on key trends identified.

Finally, Tax Year 2018 SOI studies are currently at various stages of completion. Data captured based on the SOI samples, the accompanying data validation and testing routines, and reviews by the subject-matter experts are preludes to the much-anticipated publication of the first post-TCJA year. Some selected early data have been made available on the IRS Tax Stats Web page with more to follow based on SOI's public release schedule.[4]

Martha Harris is Chief of the Corporation Returns Analysis Section and served as SOI's Initiative Coordinator for TCJA.

[2] SOI collects input from its customers to determine its study requirements, which are documented annually. See Internal Revenue Service (IRS) *Statistics of Income, Program Documentation, Data Items by Forms and Schedules,* Publication 5384 (Rev.12-2019) Catalogue Number 73556B, available on the IRS Tax Stats Web page at: https://www.irs.gov/pub/irs-pdf/p5384.pdf.

[3] Members of the SOI Consultants Panel, which was established in 1986, are individuals from academia, private sector, State and local governments, and nonprofit organizations.

[4] See Internal Revenue Service (IRS). Statistics of Income, "Effect of Transition Tax on Domestic Corporations" (March 2020) at https://www.irs.gov/statistics/soi-tax-stats-section-965-transition-tax; "Mid-November Filing Season Statistics by AGI" (March 2020) at https://www.irs.gov/statistics/filing-season-statistics; and SOI's Upcoming Data Release Schedule at https://www.irs.gov/statistics/soi-tax-stats-upcoming-data-releases.

Figure A
Tax Cuts and Jobs Act Inventory by SOI Study Area

Law Section Reference	Form Location	Corp	Partshp	Intern'l	Indiv.	Tax Exempt & Estate	Description	Temp or Perm
11001	1040				●		New tax brackets	2018 thru 2025
11011	1065 K1, 1120K1, 1040, Sch.C, Sch F, Sch. E	●	●		●		20% ded by ind for qualified bus inc "199A"	2018 thru 2025
11012	1040, Sch. C, Sch. F, Sch. E				●		Prohibits excess business losses by other than corps	
11021	1040				●		Standard deduction increase	2018 thru 2025
11022	8812				●		Modifies the child tax credit	2018 thru 2025
11023	1040, Sch. A				●		The new law eliminates the limitation on all itemized deductions	2018 thru 2025
11027	1040, Sch.A				●		Reduces AGI threshold for med exp by itemizers (NOTE: this was put in for TY 2017)	Temp, 2017 and 2018
11041	1040				●		Suspension of personal exemptions	2018 thru 2025
11042	1040, Sch.A				●		Limits State and local tax deduction	2018 thru 2025
11043	1040, Sch. A				●		Modifies ded for home mortgage interest	2018 thru 2025
11044	1040, SchA, Form 4684				●		Limits ded for personal casualty & theft losses to only those from federally declared disaster areas	2018 thru 2025
11045	1040, Sch A				●		Suspends misc itemized deductions that were subject to 2% AGI limit	2018 thru 2025
11049	1040, Sch 1; 3903				●		Suspends moving ded except for armed forces	2018 thru 2025
11061	706 - Estates 709 - Gift					●	Doubles estate and gift tax exemption amt	2018 thru 2025
11081	N.A.						Repeals ind mandate (ACA)	Perm after 12/31/2018
12003	6251				●		Increased exemption amts and phaseout thresholds	
13001	1120 variants; 990-T	●				●	Reduction in corp tax rate from 35% to 21%	After 12/31/2017; blended for fiscal year filers
13002	1120, -F, -L, -PC	●					Reduced ded for dividends recd fr othr corps	Perm
13101	4562	●	●		●		Expands expensing of certain assets under sec. 179	After 12/31/2017
13102	1125A, 1040, Sch C, 1065	●	●		●		Modifies and simplifies small business qualification for cash method of accntg	
13201	4562	●	●		●		Allows increased expensing for certain business property	After 9/27/17 and before 1/1/23
13301	1120, Sch K; -L, Sch M; -PC, Sch I; -RIC, Sch. K; -REIT, Sch. K; 1120F ; -S, Sch. B; 1065, Sch. B ; 1040,Sch. C, Sch. F	●	●		●		Limitation in business interest expense ded "163j"	Perm
13301	Form 8990 (New Form)	●	●		●		Limitation in business interest expense ded "163j"	Perm
13302	1120,-F,-L,-PC,-REIT	●					Modifies net operating loss deduction carrybacks and carryforwards	Perm
13305	8903	●	●				Repeals domestic activities prod. ded except for cooperatives	After 12/31/2017
13401	8820(Orphan Drug)	●					Reduces credit rate from 50% to 25%	After 12/31/2017
13402	3468 (Investment Cr)	●	●		●		Repeals 10% credit for certain rehabilitated bldgs and modifies 20% credit for certified historic structures	After 12/31/2017
13403	1120 variants; 1065, 1040	●	●		●		Family leave General Business Credit	2018-2019
13403	8994 (New Form)	●	●		●		Family leave General Business Credit	2018-2019
13404	8038-TC	●			●		Repeals authority to issue tax credit bonds	Issued after 12/31/2017
13511	1120-L, Sch. M	●					Repeals operations loss ded and allows NOL under Section 172	After 12/31/2017
13512	1120-L	●					Repeals small life insurance co. deduction	After 12/31/2017
13513	1120-L	●					Income or loss for change in computing reserves	After 12/31/2017
13514	1120-L	●					Repeal of rule for distribution to shareholders policyholders surplus account	After 12/31/2017
13515	1120-PC, Sch. F	●					Modifies proration rules for 1120-PC	After 12/31/2017
13516	1120-L and 1120PC, 8816	●					Repeal of special estimated tax payments	After 12/31/2017
13518	1120-L, Sch. F	●					Modifies the Life proration rules for certain income and sets company's share to 70%	After 12/31/2017
13532	8038-G					●	Repeals the exclusion from gross income for interest on a bond issued to advance refund another bond.	After 12/31/2017
13543	1120S, Sch.M2	●					Modifies tax treatment of Scorp conversion to Ccorp	
13601	1120 variants	●					Limits ded. of compensation of covered employees to salaries less than $1 mil	After 12/31/2017
13602	4720/990/990-PF/990-T					●	Imposes excise tax on excess executive compensation	After 12/31/2017
13701	4720/990/990-PF/990-T					●	1.4% excise tax on net invest income of certain private universities and colleges.	After 12/31/2017
13702	990-T					●	Unrelated business taxable income separately computed for each trade or business activity	After 12/31/2017
13703	990-T					●	Unrelated business taxable income increased by amount of certain fringe benefit expenses for which deduction is disallowed	After 12/31/2017
13823	1120,Sch.K,-F (addt'l); -REIT, Sch. K; 1120S Sch.B;1065, Sch B; 1040	●	●		●		Opportunity zone investments by corps and partnerships	Perm
13823	8996 (New Form)	●	●		●		Opportunity zone investments by corps and partnerships	Perm
14101	1120 variants dividends line	●					100% ded. for foreign sourced dividends recd from specified 10% owned foreign corps by domestic corps	
14103	1120 variants; 1065; 5471/990-T/990-PF; 1040	●	●	●	●	●	Section 965: tax treatment of deferred foreign income	
14201	1120 variants; 1065; 5471; 1040	●	●	●	●		Inclusion of Global Intangible Low Taxed Income	
14201	8992 (New Form)	●	●	●	●		Inclusion of Global Intangible Low Taxed Income	
14202	1120, Sch. C, -L, Sch. A; -PC, Sch. C	●					Ded for domestic corps for portions of FDII and GILTI	
14202	8993 (New Form)	●					Ded for domestic corps for portions of FDII and GILTI	
14401	1120, Sch.J & K; -L, Sch. K & M; -PC, Pg1 &Sch. I	●					Imposes base erosion min tax	
14401	8991 (New Form)	●					Imposes base erosion min tax	

Figure A
Tax Cuts and Jobs Act Inventory by SOI Study Area—Continued

Section Nos. 14101-14401 of TCJA Form - most new or substantially changed	Corp	Partshp	Intern'l	Indiv.	Tax Exempt & Estate	Description
Form 965			●			Deemed Tax on Deferred Foreign Income
Form 965 Schedule A			●	●		U.S. Shareholder 965 Inclusion
Form 965 Schedule B			●			Deferred Foreign Corp E&P
Form 965 Schedule C			●			U.S. Shareholder Aggregate Foreign E&P Deficit
Form 965 Schedule D			●			U.S. Shareholder Aggregate For. Cash Position
Form 965 Schedule E			●			Schedule D Detail
Form 965 Schedule F			●			Foreign Taxes Deemed Paid by Dom Corp 2018
Form 965 Schedule G			●			Foreign Taxes Deemed Paid by Dom Corp 2017
Form 965 Schedule H			●			1118 Amounts and Disallowed Foreign Taxes
Form 965-B			●			Corporate Report of Net Tax Liability
Form 8991			●			Tax on Base Erosion Payments (BEAT)
Form 8992			●			Global Intangible Low-Taxed Income (GILTI)
Form 8993			●			FDII and GILTI Income and Deduction
Form 1118			●			Corporate Foreign Tax Credit
Form 1118, Schedule I			●			Reduction of Foreign Oil and Gas Taxes
Form 1118, Schedule J			●			Basket Limitation Adjustments
Form 5471			●			Controlled Foreign Corporations
Form 5471, Schedule E			●			CFC Taxes Paid or Accrued
Form 5471, Schedule H			●			Current E&P
Form 5471, Schedule I-1			●			CFC Information for GILTI
Form 5471, Schedule J			●			Accumulated E&P of CFCs
Form 5471, Schedule M			●			CFC Transaction Schedule
Form 5471, Schedule P			●			Previously Taxed E&P
Form 8858			●			Foreign Disregarded Entities and Branches
Form 8858, Schedule M			●			FDE/Branch Transaction Schedule
Form 8865			●			Controlled Foreign Partnerships
Form 8865, Schedule G			●			Gain Deferral Method
Form 8865, Schedule H			●			Events & Exceptions to Gain Deferral Method
Form 5472			●			Transactions of Foreign Owned Corporations

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