Reference
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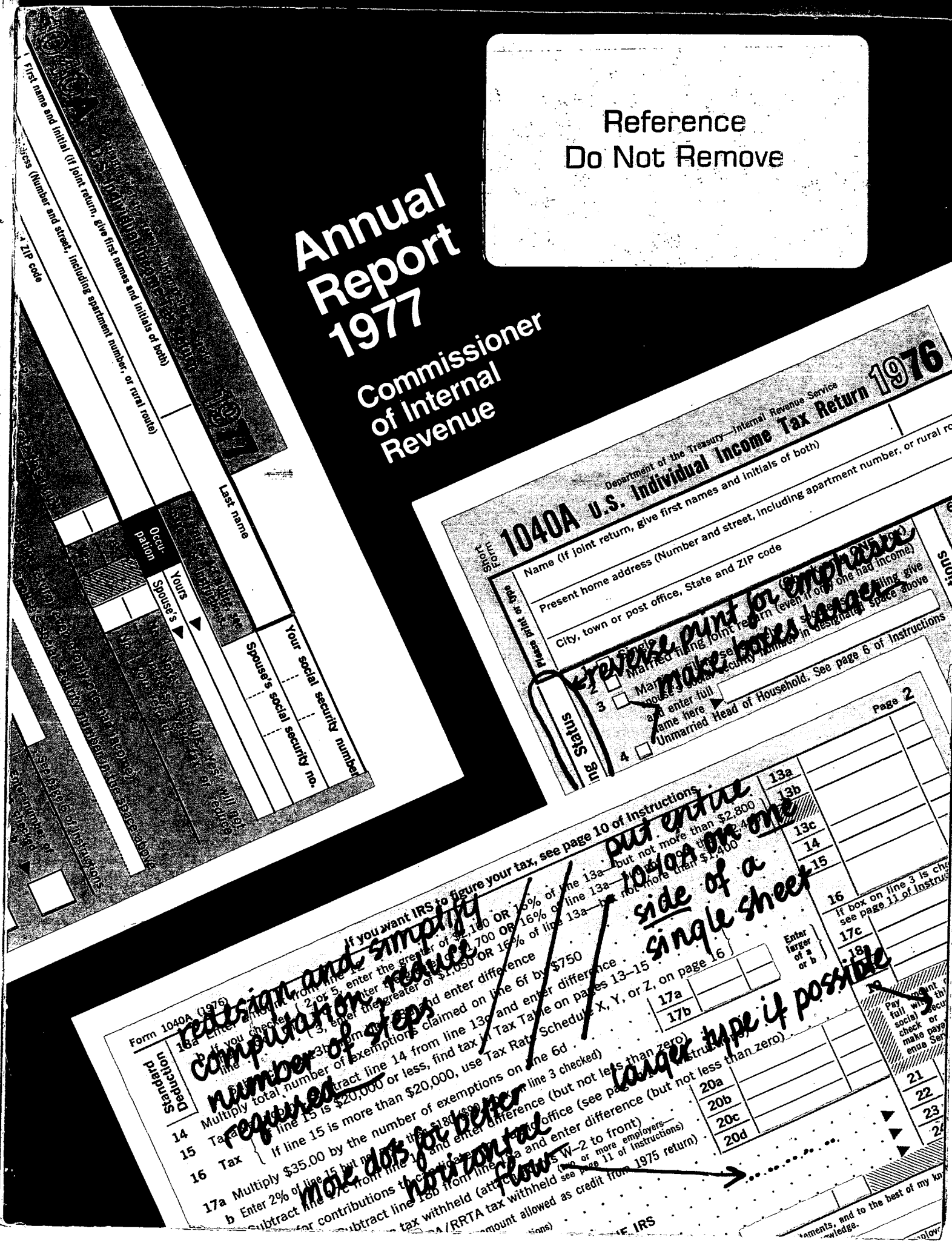
Annual Report 1977

Commissioner of Internal Revenue



About the cover...

The cover of this report shows the 1976 Form 1040A with design changes that resulted in a greatly simplified 1977 Form 1040A. The entire 1040A Form was put on one side of a single sheet of paper. The design was simplified and the number of line items was reduced from 25 to 15. Even more important, the computation of tax liability was simplified.

The new 1040A makes it possible for many more taxpayers to use a truly simple tax form. The 1040A for 1977 is a milestone in the continuing effort to make it easier for taxpayers to complete their income tax returns.

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Introduction

The continuing vigor of our self-assessment tax system is reflected in this annual report, which describes Internal Revenue Service activities during Fiscal Year 1977. Gross receipts, returns filed, refunds, and additional tax from direct enforcement all increased during this period.

When the fiscal year closed, I had served as Commissioner of Internal Revenue for less than six months. When I took office, the groundwork was already in place for many of the programs that were to be carried out by the Service during the year.

One of our priority goals has been to improve the information and assistance IRS gives to taxpayers to help them understand and cope with the complex tax laws. I believe that readily available high quality taxpayer assistance is essential to voluntary compliance. We are also redesigning the Form 1040 to make it more logical.

The Tax Simplification and Reduction Act of 1977 permitted substantial simplification of the Form 1040A and we took the opportunity to redesign this form and simplify the language used in the instructions. As a result, taxpayers whose tax computations are unaffected by complex provisions of the tax law will find this form easier to prepare. Moreover, the 1040A is designed to encourage a taxpayer to fill out a few lines of basic information and let the IRS compute the tax.

To help taxpayers who cannot resolve their problems through normal IRS channels and to identify obstacles in the system, we established problem resolution (complaint) offices in each of our districts. We believe these offices will help relieve many of the frustrations taxpayers feel in dealing with the IRS.

Public confidence in the fairness of the tax system is important to voluntary compliance. People who willingly comply with the tax law are entitled to feel confident that others are doing the same. A trend that could have an adverse effect on that confidence is the proliferation of abusive tax shelters. We, therefore, have developed a program to identify questionable shelters early and to rule on them promptly. This program also calls for increased audit coverage of the returns of taxpayers most likely to have abusive tax shelters.

We have begun studying new methods of classifying tax returns to permit better allocations of audit resources.

To cope with revelations concerning bribes, kickbacks and political contributions, the IRS developed a series of questions which were asked of corporate executives and others during audits of large corporations. The technique has been productive. We have modified the form of the questions, and their use in future examinations will be discretionary.

In keeping with the policies of the President and the Secretary of the Treasury, as well as my own desire, the Service has placed added emphasis on its equal employment opportunity programs. This emphasis has produced steady advances at all grade and salary levels for women and minority group employees, and has aided the recruitment of prospective minority employees as well.

Our management improvement programs show annual recurring savings of several millions of dollars. Improvements adopted during the past year will result in more effective deployment of personnel, better use of mechanical and technical equipment, and more modern work techniques.

The President has emphasized the need for reorganizing the institutions of the Federal government to make them better serve the public and for increasing the productivity of the Federal work force. The size and scope of Internal Revenue's operations, combined with a constantly expanding workload of dealing directly with the public, make it imperative that we respond fully to the President's direction. We have begun to do so and expect to be well on our way to meeting his goals in the IRS during 1978.

Jerome Kurtz
Commissioner of Internal Revenue

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Addenda:

Statistical data used in the text and tables of this volume are on a fiscal year basis, unless otherwise noted. For example, data headed "1977" pertains to the fiscal year ended Sept. 30, 1977.

In certain graphs and charts, to illustrate the text, figures have been rounded and may not add precisely to the printed totals in the statistical tables which are based on unrounded figures.

Chapter 1

Assisting Taxpayers

Assisting Taxpayers

The voluntary compliance tax system is uniquely American. To maintain and heighten voluntary compliance, the Service provides taxpayers with comprehensive information about the system and their responsibilities and rights under it. Aware that the process of determining income, exemptions, deductions, and correct tax is not a simple task for many taxpayers, the IRS provided them with considerable direct assistance.

During 1977 the IRS continued to expand quality assistance to taxpayers and to make this assistance readily available to those needing it. In over 340,000 contacts sampled during the 1977 filing period, including a review of Service-prepared returns, and the monitoring of responses to taxpayer telephone inquiries, IRS assistors achieved an accuracy rate of about 97 percent.

The IRS continued its efforts to place Taxpayer Service offices near public transportation and on the first floor of buildings. During the 1977 filing period walk-in service was offered in about 700 permanent offices and in over 220 temporary offices set up only for the filing period. These offices were located in the inner city, business districts, and suburban and rural areas. When necessary, hours of service were extended for taxpayers unable to call or visit during normal business hours.

The IRS again offered special assistance to taxpayers who speak foreign languages. Over 480 employees in 140 offices provided tax assistance in Spanish and over 470 employees in 148 offices provided help in other foreign languages.

Under the Volunteer Income Tax Assistance (VITA) Program, the Service trained approximately 20,000 volunteers who offered free tax assistance primarily to elderly, Spanish-speaking and low-income taxpayers.

Over 216,000 individuals, an increase of 23 percent over 1976, attended approximately 4,000 IRS-sponsored classes conducted as part of the Service's Taxpayer Education Institutes and Workshops Program.

The Service made major efforts to raise the level of public awareness of the Earned Income Credit (EIC), which benefits low-income taxpayers. With the cooperation of other Federal government agencies such as the Departments of Health, Education and Welfare, Agriculture, and Labor, special notices were sent to those considered eligible for the Earned Income Credit. Notices also were sent to taxpayers who filed returns without claiming the EIC but who apparently qualified for it according to their tax return information.

During the period January 1 through September 30, approximately 6.2 million taxpayers claimed the EIC for a total of approximately $1.2 billion, averaging out to nearly $201 per taxpayer. Tax filers who filed returns only to claim the EIC received almost 5 percent of these credits.

During FY 1977 the IRS received about 100,000 written, 28 million telephone, and nine million walk-in inquiries. More than 63 percent of these inquiries occurred from January 1 through April 30, 1977, when the IRS received over 17 million telephone calls, over six million walk-in inquiries, and over 42,000 written inquiries, for a total of over 23 million requests for assistance.

Over 90 percent of all telephone calls received during the 1977 filing period were on the toll-free telephone service. Under this system, any taxpayer in the United States may call the IRS for assistance without having to pay a long-distance charge. Toll-free numbers are listed in the income tax packages provided to taxpayers as well as in all public telephone directories. Taxpayers also may use the toll-free network to call for clarification of the bills and notices they receive concerning their accounts. These notices are accompanied by an enclosure that lists a toll-free telephone number and suggests that the taxpayer use the number to obtain assistance or further explanation.

The toll-free telephone system has provided taxpayers with greater access to IRS offices and has made an IRS office as close to taxpayers as their telephones.

Tax Assistance

Taxpayer assistance was provided in 1977 to over 23 million persons at convenient walk-in locations, by telephone, and through correspondence. With the help of 32,000 banks and Postal Service stations, the IRS distributed 237 million tax forms and instructions during the year.

Problem Resolution Procedure (PRP) offices were established in 1977 in each district. The PRP offices attempt to resolve taxpayers' complaints not satisfied through normal IRS channels and to identify systemic and procedural problems needing correction.

Training for Tax Assistors was improved significantly in 1977 with special attention given to the Tax Reform Act of 1976. Over 191,000 of the 15.5 million telephone calls received at 74 IRS toll-free answering sites were sampled to verify the accuracy and quality of answers provided to taxpayers' questions during the 1977 filing period.

Since December 1976, the IRS has provided TV telephone and teletypewriter service for the deaf on a nationwide, toll-free basis through the Indianapolis District. As a result, hearing-impaired taxpayers in all states except Alaska and Hawaii now have access to services similar to those offered other taxpayers. In May 1977, two representatives from the Indianapolis District attended the President's Committee on Employment of the Handicapped Convention held in Washington, D.C., to demonstrate the TV phone and to increase the awareness of the handicapped of this IRS assistance program.

Tax Forms Improvements

The complexity of the Tax Reform Act of 1976 and its late enactment made the Service's job of simplifying the 1976 forms and instructions very difficult. Over 100 forms were affected by the new law. In spite of these obstacles, the IRS was able to achieve some simplification. For example, to make the Form 1040A instructions more legible, the Service printed them in larger type and with wider columns. To save space in the instructions for explanatory material on the Tax Reform Act and areas that gave taxpayers trouble in the past, the tax tables were reduced from 10 to three pages. The Earned Income Credit worksheet was moved from page 8 to page 2 in the Form 1040 instructions and was expanded to a full page to give it more prominence. Also, several infrequently used lines were removed from Form 1040.

As a result of concerted efforts of IRS personnel, and in response to the Federal Paperwork Commission's request for a Government-wide special drive to reduce the paperwork burden, numerous other forms and form letters were simplified, eliminated or consolidated.

The Tax Reform Act of 1976 also had an effect on income tax return preparers. Any person preparing income tax returns for compensation is now subject to disclosure requirements and penalties for negligently or fraudulently preparing returns. The identification number and address of the preparer, in addition to the signature, must now be disclosed on all tax returns he or she prepares. Also, an annual information report must be filed by preparers before August 1.

1977 Tax Forms

The Tax Reduction and Simplification Act of 1977 enabled the IRS to develop a simplified Form 1040A for 1977. The complex formula for computing the standard deduction has been eliminated and incorporated into the tax tables, along with the allowances for personal exemptions and the general tax credit. The 1977 Form 1040A has been organized so that a taxpayer is encouraged to let the IRS compute the tax liability. The 1977 1040A has 15 numbered entries, with all calculations on one full-sized page. The 1976 form had 25 entries on both sides of a half-page.

Form 1040 for 1977 also has been redesigned. The items have been arranged in a natural sequence that permits filers to start at the top of the front page and progress to the signature block on the bottom of the back page, eliminating the need for frequent reference to both sides of the form.

Other significant form changes for 1977 include an agreement with the Department of Labor (DOL) to eliminate duplicate filing of the annual pension plan returns, Form 5500 series. Under the agreement, IRS is developing a processing system for the returns that will satisfy the administrative needs of both agencies. The Pension Benefit Guaranty Corporation (PBGC), which was to have obtained data from DOL, also will use the system. PBGC's annual report, Schedule A (Form PBGC-1), will be merged into the Form 5500 series returns.

Public Participation in Forms Simplification

In a Federal Register Notice in March 1977, the IRS asked for public comments and suggestions for improving and simplifying IRS tax forms and instructions. Nearly 500 written submissions were received. In addition, public hearings on Forms 1040 and 1040A were held in three cities—Boston, Mass.; Portland, Ore.; and Oklahoma City, Okla.

While many of the suggestions would require changes in the tax law by Congress, others did help in reducing and improving 1977 forms. The improvements made in the 1977 Forms 1040 and 1040A will reduce the public's reporting burden on IRS forms by an estimated 10 percent. The IRS also will sample public opinion on the forms through a questionnaire included in some 40,000 1977 Form 1040 and 1040A packages.

Tax Publications

The Service distributes a large number of its publications free of charge.

During 1977, the IRS distributed three million copies of Publication 17, *Your Federal Income Tax*, 900,000 copies of Publication 334, *Tax Guide for Small Business*, and 800,000 copies of Publication 225, *Farmer's Tax Guide*. In addition, the IRS furnished tax materials on request to five million individual taxpayers, 520,000 tax practitioners, and 400,000 employers. Over 32,000 banks and Postal Service stations helped distribute over 237 million tax forms and instructions.

The IRS prepares many publications about specific tax matters, such as disability payments and business use of home. Substantive revisions were made to these publications in 1977 to reflect changes by the Tax Reform Act of 1976, and several new publications were developed to explain the Tax Reduction and Simplification Act of 1977.

Publication 560, *Tax Information on Self-Employed Retirement Plans* and Publication 571, *Tax-Sheltered Annuity Plans for Employees of Public Schools and Certain Tax-Exempt Organizations*, have been revised to reflect the latest provisions of the law.

The Mass Media

The Service continued to use the mass media to furnish tax information to the public. In 1977, material prepared by the IRS was sent to 17,850 radio and TV stations, daily and weekly newspapers and magazines. Service personnel participated in 6,288 interviews, answered 19,483 media inquiries, and made 4,491 talks to professional, trade, service and other groups.

The IRS issued 7,916 news releases to the media. These releases covered such topics as services available to taxpayers, appeal rights, tax advice for disaster victims, the Earned Income Credit, pension benefit plans, and various provisions of the Tax Reform Act of 1976. There also were numerous releases covering tax rulings, procedures, regulations, and legal interpretations.

Some releases, radio and TV scripts, and IRS films were translated into Spanish.

Three IRS color films, covering the American way of taxing, audit and appeals procedures, and tax information relating to small businesses, were shown 97 times by TV outlets, and 3,426 times to professional, trade, service, educational and other groups during 1977.

Chapter 2

Collecting the Revenue

Receipts

Gross revenue collections in FY 1977 rose to 358.1 billion, an increase of 47.3 billion (15.2 percent) over the preceding 12-month period. The increase was the largest ever recorded, far in excess of the record $34.4 billion rise in 1969. Major factors contributing to this year's strong advance were higher personal income, higher corporate profits, increases in the social security wage base and abnormally large gift tax collections.

Income taxes accounted for over two-thirds of all tax receipts in FY 1977. Individual income taxes totaled 186.8 billion, an increase of 22.9 billion (14 percent). The gain was moderated by a reduction in the amount of withholding for most taxpayers, effective June 1, 1977, to reflect an increase in the standard deduction under the Tax Reduction and Simplification Act of 1977. Corporate income taxes collected were $60 billion, up sharply by 12.6 billion (26.6 percent).

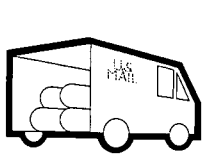
Employment taxes social security, unemployment insurance , and railroad retirement received amounted to $86.1 billion, a gain of $9.4 billion (12.2 percent). Receipts from this source were affected by higher wage and salary payments, increases in the social security wage base due to the operation of the automatic adjustment mechanism and an increase in the net Federal unemployment tax rate from 0.5 percent to 0.7 percent.

Excise tax collections registered the smallest gain for any major tax category, rising 0.4 billion (2.5 percent) on collections of 17.8 billion. The continued phasing out of the telephone excise tax and lower alcohol and tobacco tax collections contributed to this smaller gain.

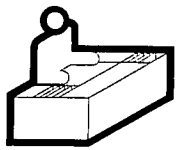
Estate and gift tax collections of $7.4 billion showed the largest rate of increase, advancing 37.3 percent ($2 billion). Much of the increase was due to a very large rise in both the number and amount of taxable gifts made prior to the January 1, 1977 effective date for gift tax revisions under the Tax Reform Act of 1976. The gift tax portion of this combined tax class amounted to $1.8 billion, up $1.3 billion (283 percent).

Pipeline

At the ten Regional Service Centers, tax returns are:



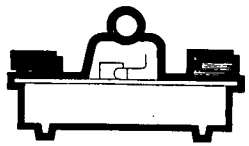
1. Received at the service centers.



2. Envelopes are opened and counted.

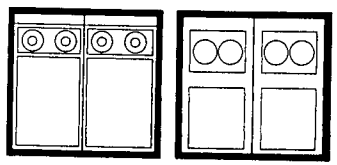
3. Returns are sorted by type of return

4. Tax returns and accompanying checks are compared.



5. Returns are edited and coded for computer processing.

6. Tax return information is fed into the computer.



7. IRS computers perform validity checks on tax returns.

8. Refund checks are printed by Treasury Department Disbursing Center.

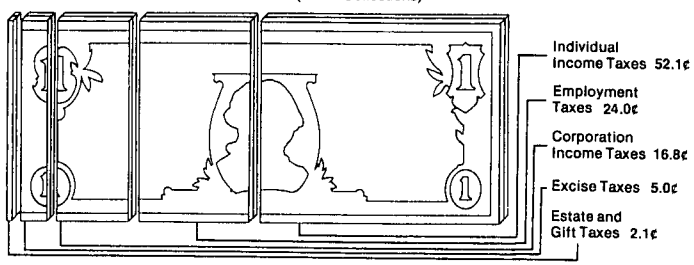
Once a tax return reaches one of ten IRS Service Centers, it travels through a series of processing steps known as "the pipeline." While many parts of the pipeline shown here are automated for faster processing and faster refunds, people are involved every step of the way.

Gross Internal Revenue Collections
(Dollars in thousands. For details see table 1 in Appendix.)

Source	Percent of 1977 Collections	1976[3]	1977	Increase or Decrease Amount	Increase or Decrease Percent
Grand total[1]	**100.0**	**310,822,819**	**355,139,417**	**47,316,598**	**15.2**
Income taxes, total	**68.9**	**211,320,660**	**246,805,067**	**35,484,407**	**16.8**
Corporation	16.8	47,431,879	60,049,804	12,617,925	26.6
Individual, total	52.1	[4]163,888,781	[5]186,755,263	22,866,482	14.0
Withheld by employers[2]	40.4	127,757,804	144,672,331	169,914,527	13.2
Other[2]	11.8	36,130,976	42,082,932	5,951,956	16.5
Employment taxes, total	**24.0**	**76,694,900**	**86,076,316**	**9,381,416**	**12.2**
Old-age and disability insurance, total	23.0	73,346,484	82,257,211	8,910,727	12.1
Federal insurance contributions	21.9	69,809,814	78,256,895	8,447,081	12.1
Self-employment insurance contributions	1.1	3,536,670	4,000,316	463,646	13.1
Unemployment insurance	0.5	1,625,205	1,910,302	285,097	17.5
Railroad retirement	0.5	1,723,212	1,908,803	185,591	10.8
Estate and gift taxes	**2.1**	**5,408,141**	**7,425,325**	**2,017,184**	**37.3**
Excise taxes, total	**5.0**	**17,399,118**	**17,832,707**	**433,589**	**2.5**
Alcohol	1.5	5,399,055	5,406,633	7,578	0.1
Tobacco	0.7	2,514,321	2,398,501	−115,820	−4.6
Other	2.8	9,485,742	10,027,573	541,831	5.7

[1]Collections are adjusted to exclude amounts transferred to the Government of Guam.
[2]Estimated—Collections of individual income tax withheld are not reported separately from old-age, survivors, disability and hospital insurance (OASDHI) taxes on wages and salaries. Similarly, collections of individual income tax not withheld are not reported separately from OASHI taxes on self-employment income. The amount of OASHI tax collections shown is based on estimates made by the Secretary of the Treasury pursuant to the provisions of sec. 201(a) of the Social Security Act as amended, and includes all OASDHI taxes. The estimates shown for the two classes of individual income taxes were derived by subtracting the OASDHI tax estimates from the combined totals reported.
[3]The Congressional Budget and Impoundment Act of 1974 (P.L. 93-344) established a new fiscal period (October 1 through September 30) effective with fiscal year 1977. For comparative purposes, 1976 data are for period beginning October 1, 1975 through September 30, 1976.
[4]Includes Presidential Election Fund amounting to $33,691,783.
[5]Includes Presidential Election Fund amounting to $36,640,491.

The Tax Dollar
Where It Came From Fiscal Year 1977 (Gross Collections)

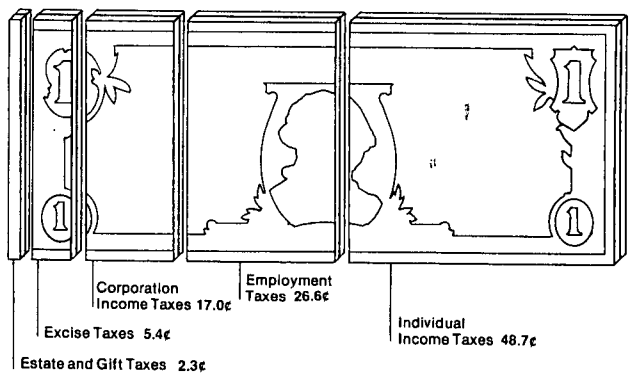


Net Internal Revenue Collections
(Including tax rebates) through September 30, 1977
(Dollars in thousands)

Source	Collections	Refunds[1]	Net Collections Amount	Net Collections Percent of Total
Grand total	**358,139,417**	**36,178,997**	**321,960,420**	**100.0**
Corporation income taxes	60,049,804	5,214,540	54,835,264	17.0
Individual income taxes	186,755,263	30,142,134	156,613,129	48.7
Employment taxes, total	86,076,316	436,189	85,640,127	26.6
Old-age, survivors, disability and hospital insurance	82,257,211	400,140	81,857,071	25.4
Railroad retirement	1,908,803	190	1,908,613	0.6
Unemployment insurance	1,910,302	35,859	1,874,443	0.6
Estate and gift taxes	7,425,325	98,737	7,326,588	2.3
Excise taxes	17,832,707	287,397	17,545,310	5.4

[1]Does not include interest paid on refunds.

The Tax Dollar
Where It Came From
Fiscal Year 1977 (Net Collections)



Refunds

During Fiscal Year 1977 the Internal Revenue Service paid refunds totaling $36.5 billion to 67.9 million taxpayers whose income tax withholding, estimated tax payments or credits were shown on their returns to have exceeded their tax liabilities. The average refund to individuals was $459. For the preceding 12-month period, 67.6 million refunds totaling $34.7 billion were paid. The 1977 data includes 4.4 million checks totaling $0.9 billion for the Earned Income Credit (EIC).

The table following shows a January to June comparison for the years 1976 and 1977 of returns filed and refunds issued.

Returns Received

IRS Service Centers received 133.7 million tax returns in FY 1977, compared to 127.7 million during the preceding 12-month period. Individual and fiduciary returns accounted for almost two-thirds of all return receipts. Nearly 87.3 million individual and fiduciary income returns were received in 1977, an increase of 3.1 million over the previous 12-month period.

After declining during 1976, the number of Form 1040 filers increased this year. The Service received 56.5 million Forms 1040 during 1977, a 3.2 percent increase over the 54.7 million received last year.

The number of Form 1040A filers continues to grow. More than 29 million individual taxpayers, 33.9 percent of all individual filers, used the short Form 1040A in 1977, compared to nearly 28 million in the preceding 12-month period, an increase of 4.6 percent in the number of Forms 1040A filed.

Returns Filed and Refunds Issued
Individual Income Tax* January-June
(Cumulative 000's, cumulative percentages)

1976	Jan	Feb	Mar	Apr	May	June
Returns Filed						
Volume	8,082	34,460	50,800	80,031	81,185	82,096
Percent	9.8	42.0	61.9	97.5	98.9	100
Refunds Issued						
Volume	2,263	20,564	40,364	56,802	62,614	63,837
Percent	3.5	32.2	63.2	89.0	98.1	100
1977						
Returns Filed						
Volume	5,417	31,732	50,123	81,406	83,190	84,129
Percent	6.4	37.7	59.6	96.8	98.9	100
Refunds Issued						
Volume	1,780	19,418	39,700	56,447	62,546	63,823
Percent	2.8	30.4	62.2	88.4	98.0	100

*Returns processed by National Computer Center and scheduled for issuance by Regional Disbursing Centers includes only Forms 1040 and 1040A

Tax Credits Under 1976 Reform Act

The Tax Reform Act of 1976 continued or modified some of the credits originally established by the Tax Reduction Act of 1975. The Earned Income Credit continued as a "negative income tax" in that it provides a refundable credit to taxpayers meeting certain criteria of income and dependents.

A refundable credit is one that provides for a payment to taxpayers if the credit exceeds income taxes due. A nonrefundable credit reduces tax liability but does not provide a payment in excess of tax liability.

The General Tax Credit replaced the former Personal Exemption Credit; it is a non-refundable credit available to taxpayers based on $35 per exemption or two percent of taxable income not to exceed $180. The Child Care Expense Credit was available to taxpayers for the first time in 1977; it provided a non-refundable credit of 20 percent of employment-related expenses paid to enable the taxpayer to work if the taxpayer maintained a household including a child under age 15 or dependent or spouse incapable of self-care.

The data in the following table covers the period January 1 through September 30 of each year:

		1976	1977
Earned Income Credit	No	6.3 million	6.2 million
	Amt	$1.3 billion	$1.2 billion
General Tax Credit	Amt.	—	$9.2 billion
Personal Exemption Credit	No	194.2 million	—
	Amt	$5.8 billion	—
Child Care Expense Credit	No.	—	2.7 million
	Amt	—	$0.5 billion

Number of returns filed, by principal type of return
(Figures in Thousands. For details, see table 7, in Appendix)

Type of Return	1976[1]	1977
Grand Total	127,662	133,685
Income Tax, Total	95,362	98,807
Individual	82,577	85,611
Declaration of estimated tax	7,868	8,088
Fiduciary	1,612	1,663
Partnership	1,135	1,197
Corporation	2,170	2,247
Estate Tax	242	248
Gift Tax	309	387
Employment Tax	24,841	25,023
Exempt Organization	503	554
Employee Plans	525	1,321[2]
Alcohol, Tobacco, and Firearms	593	558
Excise Tax	919	910
Supplemental Documents	4,369	5,877

[1] Receipts for period October 1, 1975 thru September 30, 1976
[2] This total figure includes returns filed for calendar years 1975 and 1976—both received in FY 1977.

Presidential Election Campaign Fund

A total of 23.2 million individual income tax returns had designations for the Presidential Election Campaign Fund (PECF) in Fiscal Year 1977. This was 27.5 percent of the returns processed during that period. The total amount designated in Fiscal Year 1977 was 36.5 million. In the preceding 12-month period, there were 21.2 million individual tax returns (25.8 percent of returns processed) with PECF designations totaling $33.7 million. The cumulative amount credited to the Presidential Election Campaign Fund since the check off was initiated in 1972 is $132.3 million.

Information Returns Program

The IRS Information Returns Program (IRP), begun in 1975, continued to match the information returns of some individual taxpayers with their income tax returns to detect non-filing or underreporting of income.

The IRP matches all information returns filed for individuals on magnetic tape and some of those filed on paper. The Service actively encourages all organizations having tape capability or access to computers to file the information returns on tape. During 1977, the IRS received almost 470 million information returns from businesses and organizations required to report payments of wages, interest, dividends and other forms of income; over 245 million were submitted on magnetic media.

Mathematical Verification

During fiscal 1977, the IRS checked the mathematics on 85.9 million individual returns. The tax was calculated on 1.4 million, manually verified on two million, and computer verified on 82.5 million.

Computer verification reduced the tax liability of four million taxpayers totalling $428 million, for an average of $108 per return. On 4.6 million returns, taxpayer errors increased their liability by $629 million, averaging $137 per return.

The Service, in computer checking estimated tax credits on individual returns, found that taxpayers underclaimed by $232 million and overclaimed by $463 million.

Results of the fiscal year 1977 computer verification program are tabulated below.

Individual Income Tax Returns Mathematically Verified By Computer
(In Thousands)

	1976*	1977*
Number verified by computer	**79,510**	**82,488**
Number of returns on which mathematical errors were detected	7,066	8,548
Percent of returns with mathematical errors	8.9	10.4
Returns with increase:		
Number	3,177	4,575
Amount	501,369	628,843
Average amount (dollars)	157.79	137.46
Returns with decrease:		
Number	3,889	3,973
Amount	315,816	428,310
Average amount (dollars)	81.21	107.79

* 1977 data covers the fiscal year, Oct. 1976-Sept. 1977; 1976 data covers the preceding 12 month period, Oct. 1975-Sept. 1976. Average dollar amounts are rounded

Information Returns on Magnetic Media

During 1977 the IRS received almost 470 million information returns from businesses and organizations required to report payments of wages, interest, and dividends. Over 245 million of these documents were submitted on magnetic media in 1977 as a result of the Service's continuing program to encourage all organizations that have computer capability or computer access to report on magnetic media.

The table below shows the number of organizations shifting to magnetic media filing during the past decade.

Information Returns Reported on Magnetic Media

Tax Year	Documents (thousands)	Reporting Entities
1966	26,248	591
1967	36,492	1,048
1968	47,686	2,426
1969	58,951	2,963
1970	68,300	4,637
1971	91,449	8,504
1972	115,008	12,758
1973	144,533	13,128
*1974	185,554	21,862
*1975	216,839r	32,486r
*1976	245,277	35,330

r Revised Data
* Calendar year data
Data for 1973 and prior covers the 6 month period January through June.

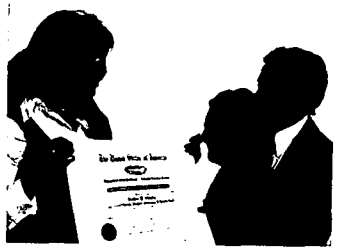
Delinquent Accounts and Compliance

During 1977 the Service emphasized the Delinquency Prevention Program (DPP), designed to identify potentially delinquent taxpayers and help review and correct their problems. A significant development in the failure to file activity was the mailing of 1.2 million notices to all individuals who had not filed 1040 Forms.

Despite a budget reduction of over 800 staff years, improved programming and staff utilization permitted a nominal increase in the number of outstanding delinquent accounts assigned to field operations. Compared to 1976, the cases assigned to district offices in 1977 increased by 16 percent while the total dollar value of these accounts increased by seven percent.

Program Accomplishments

The Collection activity closed over 2.6 million delinquent accounts during FY 1977. Included were some 328,000 delinquent notices received by taxpayers who contacted IRS field offices to resolve the matter when notified. IRS employees had to initiate contact on the remaining 2.3 million delinquent accounts.



Suellen P. Hamby is designated Director, Program Planning and Review Staff, by Commissioner Kurtz. The number of women in high level positions continued to increase during 1977 and the overall employment of women in the IRS increased by 7.52 percent during the same period.

Nearly 3.1 billion in delinquent taxes was collected during the year, a decrease of about 700 million over a comparable period in 1976. This was due to a budget reduction in staff, emphasis on delinquency prevention and investigations for failure to file returns. District personnel disposed of over 2.4 million investigations for failure to file returns, a 28 percent increase over a comparable 1976 period. Approximately 689,000 delinquent returns were secured in 1977, involving nearly $501 million in additional taxes.

During 1977, 16 percent of delinquent individual taxpayers were repeaters, while the rate for business taxpayers was 39 percent. Because of the high business repeater rate, the Service stresses bringing business repeaters into voluntary compliance, through the Trust Fund Compliance Program. At the beginning of 1977, there were nearly 275,000 taxpayers with delinquent trust fund accounts totalling over $635 million. Of these accounts, 2,500 had a balance of $25,000 or more. At the end of 1977 the number of taxpayers with delinquent trust fund accounts was some 325,000, with an outstanding balance of approximately $667 million, and the number of delinquent trust fund accounts over $25,000 was 2,400.

Gross tax, penalties and interest resulting from direct enforcement
(In thousands of dollars)

Item	1976	1977
Additional tax, penalties, and interest assessed, total	**4,861,934**	**4,930,447**
From examination of tax returns, total	4,307,196	4,084,135
Income tax, total	3,588,071	3,390,508
Corporation	2,148,049	1,982,748
Individual and fiduciary	1,440,022	1,407,760
Estate and gift tax	429,112	463,431
Employment tax (including withheld income tax)	207,825	173,150
Excise tax	82,188	57,047
From delinquent returns secured, total	554,738	846,312
By district collection divisions	554,738	500,971
By district audit divisions	N/A	345,341
Delinquent taxes collected, total	**3,757,446**	**3,068,673**

N/A: Not available.

Chapter 3

Insuring Compliance

Audit of Returns

The IRS audits tax returns in order to encourage voluntary compliance with the tax laws. While audit activity is the primary method that the IRS uses to encourage voluntary compliance, every return is subject to scrutiny by IRS employees and computers. When a return is received in one of the 10 IRS service centers, it is first checked manually for completeness and accuracy and for such obvious errors as the claiming of a partial exemption or duplicate deductions. Then the service center's computers check the accuracy of the taxpayer's arithmetic and pick up other errors which may have escaped manual detection, such as the failure to reduce medical deductions by three percent of adjusted gross income.

Returns Selection

The primary method used by the IRS in selecting returns for audits is a computer program of mathematical formulas—the Discriminant Function System (DIF)—that measures the probability of tax error in each return. Returns identified by the DIF system as having the highest error potential are selected for audit. Since this system was introduced in 1969, the IRS has reduced the number of taxpayers contacted whose audits would result in no tax change for all taxes from a peak of 43 percent in 1968 to 24 percent in 1977. New DIF formulas for both individual and partnership returns were developed in 1977, and will be used for returns filed in 1978.

Returns also may be chosen for audit under the Taxpayer Compliance Measurement Program (TCMP), a computerized system that makes a random selection of returns within income classes for research purposes. These audits also are used to update DIF formulas with current taxpayer filing and reporting characteristics. Audits conducted under this program are more intensive in order to develop information required.

Computer selection of returns is complemented by manual selection. For example, if the IRS audits a partnership return, the returns of the partners also may be audited. Other returns may be manually selected based on information documents, such as Forms W-2 and 1099, or other additional information. The IRS also screens returns with adjusted gross income above certain amounts and some returns of taxpayers who submit claims for refund or credit after filing returns.

Results of Audit Activity

The IRS audited 2,345,110 tax returns of all types in 1977. Of that total, 150,730 were examined in service centers, compared to 142,667 last year. The remainder were examined in district offices by revenue agents and tax auditors.

Examinations conducted by revenue agents at the taxpayer's place of business or residence totaled 677,192 returns, a decrease of 37,148 returns or five percent from last year.

There were 1,517,188 returns examined by tax auditors under office audit procedures, a decrease of 91,118 returns or six percent from last year. Audit coverage of income, estate and gift tax returns was 2.46 percent compared to 2.59 percent in 1976.

The Service's examination program resulted in approximately $5.1 billion recommended additional tax and penalties, making this the fifth straight year that recommendations have exceeded $5 billion.

The following table shows returns examined by Audit Divisions in 1976 and 1977.

Number of Returns Examined (Audit Divisions)
Fiscal years 1976–1977

Type of Return	1976[1]	1977
Revenue Agents Grand Total	**714,340**	**677,192**
Income Tax Total	**498,456**	**467,000**
Individual	320,750	288,810
Fiduciary	17,078	10,740
Corporation	160,628	167,450
Estate and Gift Tax	48,344	44,567
Excise & Employment	167,540	165,625
Tax Auditors Grand Total	**1,608,306**	**1,517,188**
Income Tax Total	**1,545,139**	**1,453,626**
Individual	1,544,359	1,453,246
Fiduciary	100	141
Corporation	680	239
Estate and Gift Tax	10,846	9,237
Excise & Employment	52,321	54,325
Service Center Grand Total	**142,667**	**150,730**
Income Tax—Individual	136,645	150,730
Excise Tax	6,022	—
Total Grand Total	**2,465,313**	**2,345,110**
Income Tax Total	**2,180,240**	**2,071,356**
Individual	2,001,754	1,892,786
Fiduciary	17,178	10,881
Corporation	161,308	167,689
Estate and Gift Tax	59,190	53,804
Excise & Employment	225,883	219,950

[1] Revised Data

During 1977 assessments totaled $4.1 billion, including $3.4 billion in assessed tax and penalties and $650 million in interest. In 1976, assessments were $4.3 billion, of which $3.6 billion represented tax and penalties and $710 million, interest.
The table on following page shows the recommended additional tax and penalties for the years 1976 and 1977.

Examiners are required to determine a taxpayer's correct tax liability, which means that examiners observe that taxpayers neither overstate nor understate their liability. In 1977, Service examinations disclosed overassments on 122,003 returns, accounting for refunds of $281 million.

Service Center Program

The IRS service center review program, begun in 1972, generally is limited to the verification or resolution of issues that can be handled satisfactorily by service center personnel through correspondence with the taxpayer. More than 913,000 returns were checked in service centers in 1977, a 51 percent decrease from 1976.

The decrease occurred primarily in the Unallowable Items Program as a result of the Tax Reform Act of 1976. Certain items previously included in this program, such as medical expenses not reduced by the one and three percent limitations, are now considered mathematical or clerical errors and are corrected during initial returns processing.

As a result, 354,916 returns were corrected by audit activity in 1977, compared to approximately 1,474,000 in 1976.

With service centers conducting correspondence examinations of returns selected under district office criteria: 150,730 returns were examined during 1977, an increase of seven percent over 142,667 examined in 1976.

Computer Assisted Audits

The Service has an ongoing program to use computers in audits of tax data in automated accounting systems. Both generalized computer programs and specifically developed programs are used to retrieve and anlayze data essential to an examination. Taxpayers and the IRS save time and expense since computer assisted audits are done in a fraction of the time required to do the same job manually.

Over 10,000 applications of these computer audit techniques were performed in 1977, an increase of 2,000 over 1976. The audits are done by computer audit specialists, experienced revenue agents who have received intensive training in computer systems, hardware, programming languages, and audit techniques.

Coordinated Examination Program

All large case taxpayers, except financial institutions and utilities, whose gross assets exceed $250 million are included in the Coordinated Examination Program. Financial institutions and utilities are included in the program if gross assets exceed $1 billion.

Large case tax audits involve complex accounting operations and the team audit approach allows the IRS to assemble its experienced revenue agents, economists, computer specialists, engineer agents, international and excise tax examiners, and employee plans specialists to examine these intricate returns.

At the end of FY 1977, there were 1,286 large cases in this program, which averaged 2.8 open years per case. This is the fifth consecutive year the average open years in the large case program has been less than 3.0 per case.

During FY 1977, the IRS continued its practice of conducting industry-wide audits of major companies in a given industry. Nine industries are currently being audited by this approach, and two more are in the planning stage.

Recommended Additional Tax and Penalties (Audit Divisions)
(In millions of dollars)
Fiscal Years 1976–1977

Type of Returns	1976[1]	1977
Revenue Agents Grand Total	**4,538.5**	**4,453.3**
Income Tax Total	**3,710.7**	**3,579.0**
Individual	953.3	1,066.3
Fiduciary	35.5	47.4
Corporation	2,721.9	2,465.3
Estate and Gift Tax	603.1	657.3
Excise & Employment	224.7	217.0
Tax Auditors Grand Total	**418.8**	**472.4**
Income Tax Total	**384.0**	**441.3**
Individual	383.1	441.0
Fiduciary	.1	.1
Corporation	.8	.2
Estate and Gift Tax	15.0	12.5
Excise & Employment	19.8	18.6
Service Center Grand Total	**222.7**	**131.5**
Income Tax—Individual	222.1	131.5
Excise Tax	.6	—
Total Grand Total	**5,180.0**	**5,057.2**
Income Tax Total	**4,316.8**	**4,151.8**
Individual	1,558.5	1,638.8
Fiduciary	35.6	47.5
Corporation	2,722.7	2,465.5
Estate and Gift Tax	618.1	669.8
Excise & Employment	245.1	235.6

[1] Revised Data

Special Enrollment Examination

The Special Enrollment Examination enables individuals who are not attorneys or Certified Public Accountants to demonstrate their competence in tax matters. Upon successful completion of the examination, individuals are "enrolled" to practice before the IRS.

In 1977 the examination was redesigned and patterned after CPA examinations. The present test is divided into four parts and candidates are required to pass each part. Candidates can retain credit for any part passed and need only take those parts failed. Examination questions focus on the tasks which enrolled agents must perform to file complete forms and returns, and to represent taxpayers before the Service.

Candidates filing applications for the examination have increased from 824 in 1967 to 5,090 in 1977.

Tax Shelter Program

In 1974, the IRS established a nationwide tax shelter program to conduct examinations of possible tax shelter abuses by investors in the oil and gas industry. The program was later expanded to include real estate, farm operations, motion pictures, master recordings and coal shelters. Most returns examined in this program are those of partnerships as they are commonly used by taxpayers as the vehicle to obtain significant tax benefits without the risk of personal liability.

Joint Committee Review

The Internal Revenue Code requires that all income, estate and gift tax, private foundation, and pension plan tax refunds and credits in excess of $200,000 be reported to the Joint Committee on Internal Revenue Taxation. During 1977, 997 cases involving overassessments of $984 million were reported to the Joint Committee, as compared with 1,506 cases and $1 billion in 1976.

Audit Information Management System

In 1977, the Service successfully implemented the Audit Information Management System (AIMS) nationwide. The new system is an expansion of the existing Integrated Data Retrieval System (IDRS) currently located in IRS service centers.

AIMS allows Service personnel to promptly locate any return in the Audit Division. This feature permits more rapid responses to taxpayer inquiries and faster assessment and refund action resulting in improved taxpayer relations. The system also provides for automated control and verification of assessments from the point of origin in the district office and service center.

The Appeals Process

The Internal Revenue Service encourages the resolution of tax disputes through an administrative appeals system rather than litigation. Taxpayers who disagree with a proposed change to their tax liability are entitled to a prompt, independent review of their cases. The appeals system is designed to minimize inconvenience, expense, and delay to the taxpayer in disposing of contested tax cases.

Within the system are two levels of appeal: the district conference staff in the audit division of the district director's office, and the appellate division in the regional commissioner's office. Each level of appeal is independent of the other, and each has different authority and jurisdiction. Opportunities for such appeals are offered at 58 district offices and 40 regional branch offices throughout the country. Conferences also are arranged, as needed, at other IRS locations and at times convenient for taxpayers.

Proceedings are informal in both offices. Taxpayers may represent themselves or be represented by an attorney, a Certified Public Accountant, or other advisor enrolled to practice before the IRS. If the disputed tax liability for each taxable year involved in the dispute, is $2,500 or less, the taxpayer may obtain a district conference and a subsequent regional conference without filing a written protest. For larger amounts a written protest is required. If agreement cannot be reached during the district conference the taxpayer is advised of further appeal rights, and may request a regional appellate office conference.

In most cases, the taxpayers and the district conferee, or regional appeals officer, reach mutually acceptable agreements. Consequently, few cases go to trial. In the past 10 years, 97 percent of all disputed cases were closed without trial. In 1977, the appeals function disposed of 56,805 cases by agreement; the Tax Court tried 1,402 cases; and the United States District Courts and Court of Claims tried 403 cases. Thus, in disputed tax matters, the administrative appeals system serves the taxpayer well.

District Conference

District conference staffs consider disputes involving factual questions regardless of size. They also consider whether proposed actions by a district director's office reflect the correct interpretation of the Internal Revenue Code, as stated, and as clarified by the courts and by IRS Regulations and Revenue Rulings. Since April 1, 1974, district conference staffs have had the authority to settle cases where the amount of tax in dispute was $2,500 or less, by considering the hazards of litigation.

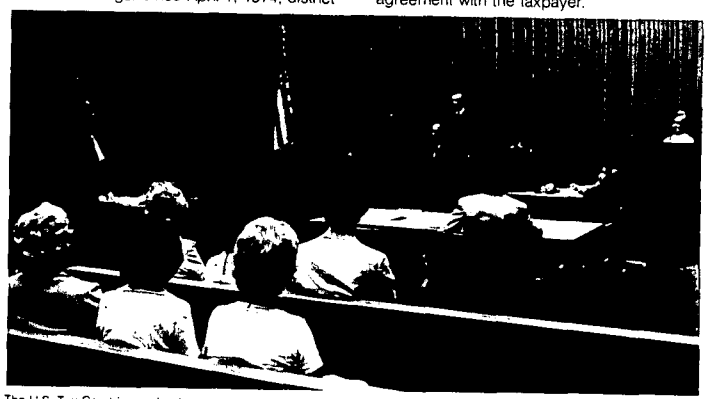
Since receiving this settlement authority, the percentage of agreed cases closed by district conference staffs has significantly increased.

District conference staffs reached agreement with the taxpayer in about 70.5 percent of the cases they considered in 1977.

Appellate Division

Cases considered by the Appellate Division fall into two broad categories: Nondocketed cases in which the taxpayer is protesting a proposed action by the district director involving additional taxes, a refund disallowance, or a rejection of an offer in compromise. These cases made up about 55 percent of appellate's workload in 1977. The second category of cases are known as docketed, and involve cases where taxpayers have filed a petition for a hearing before the United States Tax Court.

In 1977, 70 percent of nondocketed cases and 73 percent of docketed cases were closed by the Appellate Division by agreement with the taxpayer.



The U.S. Tax Court in session for a small case hearing. Under a simplified procedure, Tax Court proceedings permit informal hearings where taxpayers can present their cases before a special trial judge. A knowledge of courtroom proceedings is not required, since the objective is to provide an inexpensive forum for the taxpayer. A small case is when the disputed tax does not exceed $1,500 in any tax year.

Other Appeal Options

If a tax dispute cannot be resolved at either the district or the regional level, the taxpayer is advised of additional appeal rights. In most cases, the taxpayer may file an appeal with the United States Tax Court.

If the disputed tax does not exceed $1,500 in any tax year, a simplified procedure is available under the Tax Court's small case rules. Small case Tax Court proceedings permit informal hearings where taxpayers may present their cases before a special trial judge. Since a knowledge of courtroom proceedings is not required, an inexpensive forum for the taxpayer is provided. However, under small case procedures, there is no provision in the law for an appeal of the Tax Court's decision.

If a taxpayer chooses to bypass the Tax Court, the tax deficiency may be paid and a claim for refund filed within two years from the date of payment. If the claim is denied by the IRS, or no action is taken by the IRS on the claim within six months, the taxpayer may file suit for a refund in either a United States District Court or the Court of Claims.

A taxpayer may appeal an adverse decision of the Tax Court or District Court to the United States Circuit Court of Appeals having jurisdiction. Adverse decisions of the Court of Claims or the Circuit Court of Appeals may be appealed to the United States Supreme Court, although the Supreme Court does not accept all such appeals.

Tax Fraud Investigations

The Intelligence Division is responsible for the enforcement of the criminal provisions of the tax laws, investigating evidence of tax evasion or tax fraud and recommending prosecution.

If a pattern of noncompliance is detected, special projects may be carried out to determine the extent of the noncompliance in a given geographical area or occupational field.

During 1977, the Intelligence Division completed 8,391 investigations and recommended prosecution of 3,408 taxpayers. Grand juries indicted or courts filed information on 1,636 taxpayers. Prosecution was successfully completed in 1,476 cases. In 1,063 cases taxpayers entered guilty pleas, 166 pleaded nolo contendere, and in 247 cases, taxpayers were convicted after trial. Acquittals and dismissals totaled 55 and 110, respectively. Of the 1,532 taxpayers sentenced during 1977, 685 or 44.7 percent received jail sentences, compared with 41.5 percent last year.

The following table covers the results of criminal action in tax fraud cases from 1973 to 1977.

Results of Criminal Action in Tax Fraud Cases
1973-1977

	Number of Defendants				
Action	**1973**	**1974**	**1975**	**1976**	**1977**
Plea of Guilty nolo contendere	914	1,062	1,046	977	1,229
Convicted after trial	190	191	173	216	247
Acquitted	55	97	83	77	55
Nol-prossed or dismissed	112	115	168	71	110
Total Disposals	**1,271**	**1,465**	**1,470**	**1,341**	**1,641**
Indictments & Informations	1,186	1,441	1,495	1,331	1,636

Organized Crime and Strike Force Activities

The IRS cooperates in the Federal government's fight against organized crime by participating in the Federal Organized Crime and Strike Forces Program. Located in 12 major cities, strike force units are headed by attorneys from the Justice Department. The objective of this program is to coordinate the combined forces of Federal law enforcement agencies against the criminal element in our society. The IRS is responsible for ensuring that the income from illegal activities is correctly reported and taxed and for detecting criminal violations of the tax laws. During 1977, the IRS contributed 485 staff years of direct investigative and examination time to the strike force effort.

A total of 135 organized crime members and their associates were convicted or pleaded guilty to tax charges during the year and 678 prosecution cases were pending when the year ended.

Since the inception of the organized crime program in 1966, 834 organized crime members and associates have been convicted or have pleaded guilty to various tax charges.

Tax Investigations of High Level Narcotics Leaders and Financiers

As part of its Special Enforcement Program, the Service continued to identify and investigate significant tax violations by high-level narcotic financiers and traffickers.

During 1977 the IRS completed 220 criminal tax investigations, obtained 72 indictments and achieved 62 convictions of financiers and traffickers.

Restricting Access to Tax Returns

Legislative actions concerning disclosure were significant during Fiscal Year 1977, with the Tax Reform Act of 1976 amending Code Section 6103, effective January 1, 1977, to provide, generally, that tax returns and tax return information are to be confidential and not subject to disclosure except as authorized. Increased criminal penalties and new civil damage provisions for unauthorized disclosures also were included in the Act. The legislation was strongly supported by the IRS because it reflected many Treasury legislative recommendations, and codified most existing disclosure regulatory and policy practices.

The Disclosure Operations Division provides program guidance to Disclosure Officers in all IRS field offices. To implement the provisions of the Privacy and Freedom of Information (FOI) Acts, and IRC 6103 amendments,—the IRS decentralized some administrative responsibilities to the field for disclosure, privacy, and FOI. Disclosure Officer positions were established in IRS regions, districts, service centers, the Office of International Operations, the Assistant Commissioner (Inspection), and the IRS Data Center. Field officials now act on certain requests for testimony of Service employees, make initial determinations concerning FOI requests and process requests for information under the Privacy Act.

The following table shows the number of individual tax return disclosures made in compliance with Federal law. (See page 57 for legal aspects of IRS disclosure procedures.)

Disclosure to Third Parties
(Number of disclosures on individual taxpayers)

Recipient	**FY 1974**	**FY 1975**	**FY 1976**
States	58,911,922	62,980,779	65,855,434
U.S. Attorneys	18,062	17,678	22,711
Department of Justice	10,446	11,485	9,505
Social Security Administration	6,633	5,835	5,484

Chapter 4

Data Services
Technical Activities

Data Services

A new office of Assistant Commissioner (Data Services) was created and operating effective January 2, 1977, after data processing responsibilities overlapping functional lines had made it increasingly difficult to: (1) develop integrated long-range goals; (2) assure a well balanced ADP program; and (3) control the expenditure of resources.

The Assistant Commissioner (Data Services) organization includes the Service and Design Division, the Systems Programming Division, the Systems Analysis Division, the National Computer Center, and the Data Center. This reorganization affects only the National Office since there are no counterpart changes in the field.

The Assistant Commissioner (Data Services) is responsible for the development, implementation and evaluation of computer systems, programs and hardware requirements.

Service and Design Division serves as the principal contact for all IRS data processing support services. In addition to overall responsibility for the maintenance of existing data processing systems, it participates in developing or revising systems to meet customer needs.

Systems Programming Division directs and coordinates the development and operation of all computer processing programs except those of the Data Center. It also develops and maintains computer software support and standards.

Systems Analysis Division is responsible for the overall evaluation of systems, hardware and operational effectiveness of the IRS data processing support program including systems acceptability testing; control of the request for proposal process and hardware vendor selection; assessment of program effectiveness, and oversight of Data Services security, privacy and disclosure.

The National Computer Center plans, directs and coordinates master file operations of the tax administration systems including establishing, maintaining and updating individual, business, employee plans and exempt organization master files.

The Data Center coordinates the analysis, design, development, maintenance, and operation of automated data systems and nonmaster file data processing.

Tax Rulings and Technical Advice

The Service's tax ruling program consists of letter rulings, technical advice and published Revenue Rulings.

A letter ruling is a written statement issued to a taxpayer by the National Office interpreting and applying the tax laws to a specific set of facts. Such a ruling provides guidance through advice concerning the tax effects of a proposed transaction. Letter rulings are not precedents and may not be relied upon by other taxpayers.

Technical advice is guidance as to the proper application of the tax laws to a specific set of facts furnished by the National Office at the request of a district office in connection with the audit of a taxpayer's return or claim for refund or credit. Frequently, the district director's request is made in response to the suggestion of the taxpayer that technical advice be sought.

A Revenue Ruling is an interpretation of the tax laws issued by the National Office and published in the *Internal Revenue Bulletin* for the information and guidance of taxpayers, practitioners, and IRS personnel.

Internal Revenue Bulletin

The weekly Internal Revenue Bulletin is the authoritative publication of the Commissioner for announcing official rulings and procedures of the Service and for publishing Treasury Decisions, Executive Orders, tax conventions, legislation, court decisions, and other items of general interest. Bulletin contents of a permanent nature are consolidated semi-annually into Cumulative Bulletins. Copies of the weekly and semi-annual issues are distributed within the Service and are made available to the public by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, on a single copy or subscription basis.

During 1977 the Bulletin included 545 Revenue Rulings, 48 Revenue Procedures, 15 Public Laws relating to Internal Revenue matters and 18 committee reports, 72 Treasury Decisions containing new or amended regulations, 21 Delegation Orders, six Treasury Department Orders, 14 Notices of Suspension and Disbarment from Practice before the Service, 250 Announcements of general interest and six court decisions.

The Bulletin Index-Digest System, revised as of December 31, 1974, provides a rapid means of researching material published in the Internal Revenue Bulletin after 1952. The following table shows a breakout of the types of Revenue Rulings and Revenue Procedures published in 1977.

Revenue Rulings and Revenue Procedures Published in 1977

Type	Number
Administrative	14
Employment Taxes	18
Estate and Gift Taxes	61
Excise Taxes	65
Exempt Organizations	83
Income Taxes	327
Employee Plans	15
Tax Conventions	10
Total	**593**

Public Disclosure of Rulings

The Tax Reform Act of 1976 provided that IRS rulings and technical advice generally will be open to public inspection after the deletion of the taxpayer's identity, trade secrets, and confidential commercial and financial information.

Rulings and technical advice requested after October 31, 1976, generally are made available within 90 days after they are issued to taxpayers. Over 100,000 of them issued before November 1, 1976, will be made available to the public over the next two years.

Chapter 5

Employee Plans and Exempt Organizations

Employee Plans and Exempt Organizations

The Office of Employee Plans and Exempt organizations (EP/EO) administers the regulatory responsibilities of the Service for employee benefit plans and tax exempt organizations. At the National Office, the functions are Employee Plans, Exempt Organizations, and Actuarial Divisions. EP/EO field staffs are located primarily in seven regional offices and 19 key districts, with other local service also provided.

The Employee Plans activity administers the Employee Retirement Income Security Act of 1974 (ERISA) with major emphasis on developing regulations and procedures urgently needed by taxpayers.

The IRS continues to coordinate implementation of ERISA with the Department of Labor (DOL) and the Pension Benefit Guaranty Corporation (PBGC) by issuing compatible regulations, procedures and rulings, and by reducing duplicate reporting by taxpayers. For example, starting with the 1977 annual return/report (Form 5500 series), plan sponsors and administrators will file only with the IRS.

To reduce taxpayer expense and burden in complying with ERISA, four Model Plans were developed for use by corporate employers along with a new procedure permitting sponsors to obtain approval of their field prototype plans. A new, simpler Short Form Application for Determination for Employee Benefit Plan, Form 5307, also was introduced.

During 1977, 24 regulations, 10 revenue rulings and procedures, 11 delegation orders, eight forms, and 23 news releases, as well as 4,128 National Office opinion letters on Master and prototype plans were issued.

In 1977 the Service devoted an average of 841 field professional positions to carrying out employee plans responsibility. Advance determination letters were issued on the qualification of pension, profit-sharing and other employee benefit plans. Examinations were conducted to determine the qualification of plans in operation and to verify the appropriateness of plan contribution deductions. During FY 1977, 158,473 determination letters were issued on corporate and self-employed plans, an increase of 345 percent from the 12-month period prior to October 1, 1976.

As for prohibited transactions, five final and two proposed class exemptions, three regulations, two delegation orders and three news releases were issued and 314 individual exemption applications were processed to disposition.

The Exempt Organizations activity determines the qualifications of organizations seeking tax-exempt and private foundation status, and examines returns to ensure compliance with the law.

During 1977, eight regulations, 76 revenue rulings and revenue procedures, 278 technical advice memoranda, four delegation orders, 21 announcements, 24 forms, form letters and applications, eight news releases, six publications and 10 Exempt Organization and Private Foundation Handbook chapters were issued or revised. In 1977, the Service devoted an average of 465 field professional positions to the examination of 9,803 exempt organization returns. The Service received 50,649 applications and reapplications from organizations seeking a determination of tax-exempt status or seeking a determination of the effect of organizational or operational changes on their status, and issued 47,067 determination and ruling letters, and 329 revocations.

Filing requirements for certain exempt organizations were changed from those with gross receipts in excess of $5,000 to those with gross receipts in excess of $10,000. As a result, approximately 36,000 exempt organizations will not have to file an annual information return.

The feasibility test conducted at the Cincinnati Service Center in 1976 concerning decentralizing the processing of Exempt Organization (EO) returns was successful. During 1977, the Andover and Fresno Service Centers started processing EO returns and related documents. Previously, all return filing and processing was done at the Philadelphia Service Center. The first Exempt Organization Taxpayer Compliance Measurement Program (TCMP) covering the examination of private foundations, public charities and social welfare organizations was completed December 31, 1976. Data from this survey will be used to select returns for examination.

The Actuarial Division provides the basic principles and rules for uniform interpretation and application of the Federal tax laws involving actuarial matters.

In 1977 the Service devoted an average of 17 professional positions to carrying out actuarial responsibilities. The Actuarial Division participated in public hearings on proposed regulations and serviced taxpayer requests for rulings, including requests for waiver of the funding standard account.

Chapter 6

International Programs

Tax Administration Abroad

The Service maintains a system of permanent foreign posts. Revenue Service Representatives (RSRs) at these stations are involved in compliance and taxpayer assistance activities and maintain cooperative contacts with foreign tax agencies. IRS foreign operations are the responsibility of the Office of International Operations (OIO).

Since OIO established its first office in Paris in 1948, the number of foreign posts staffed by RSRs has increased to 14. At present, posts in Bonn, London, Paris, and Rome cover Western Europe, and North Africa. Those in Mexico City, Caracas, and Sao Paulo are responsible for Mexico, Central America, and South America, while Canada is serviced from Ottawa. Offices in Tokyo, Manila, Kuala Lumpur, and Canberra administer OIO activities in Japan, Southeast Asia, Australia, and New Zealand. A post in Tehran covers the Middle East, and the one in Johannesburg services Africa south of the Sahara.

IRS Commissioner Jerome Kurtz (left) compliments Leroy A. Quinn, U.S. Virgin Islands Commissioner of Finance, following the signing of a mutual agreement procedure to resolve cases of double taxation involving the U.S. Virgin Islands

IRS foreign posts provide a vital link with more than two million Americans living abroad. In 1977, the RSRs continued to maintain personal contacts with foreign tax authorities, foreign government officials, the U.S. Department of State and other U.S. agencies, as well as American communities abroad. The RSRs also act as liaison with foreign competent authorities in tax treaty matters when called upon to represent the U.S. Competent Authority.

The Tax Reform Act of 1976 and the Tax Reduction and Simplification Act of 1977 included important changes affecting overseas taxpayers. The 1977 filing period marked the 24th consecutive year that overseas taxpayers received tax assistance through the Overseas Taxpayer Service Program, with over 148,000 taxpayers assisted—an increase of approximately 20 percent over 1976. Twenty-three assistors were detailed abroad during the year, providing assistance in 131 cities in 76 foreign countries.

In 1977 Commissioner Kurtz met with the Canadian Minister of National Revenue, Monique Begin, to formalize a working arrangement for simultaneous taxpayer examinations. Under the tax treaty, the United States and Canada are exchanging tax information on related U.S. and Canadian companies that has been developed in examinations. The treaty also provides for confidentiality of taxpayer information exchanged between the two countries.

The Service entered into tax administration agreements with American Samoa, Guam and the U.S. Virgin Islands, allowing the Service to provide taxpayer return information and to develop programs to improve tax administration, including, in the Virgin Islands, procedures to resolve cases of double taxation.

The Harvard International Tax Program participants representing 18 countries received three days training through arrangements with the IRS Tax Administration Advisory Services (TAAS). The 1977 Harvard group is shown with TAAS Director, Gordon C. Hill (seated center) and Mrs. Sarah W. Salter, Harvard Director of International Tax Training (seated right). IRS TAAS officials for the program are Bill Lund (left standing) and Dr. Chester R. McNutt (right seated)

Compliance Overseas

The OIO's audit activity takes place primarily within the United States. This activity focuses on securing compliance with Federal tax laws from resident and visiting aliens, and foreign corporations conducting business in the United States. Personnel of the OIO, at National Office, also examine thousands of tax returns filed by Americans living abroad.

The more complex tax return examinations continue to be conducted at the foreign country site of origin, and during 1977 the number of these audits increased.

Tax Treaties and the Competent Authority

Tax treaties with other countries are designed to eliminate double taxation, remove tax barriers to trade and investment, and help curb tax avoidance. The United States now has income tax treaties with 39 countries and estate tax treaties with 13 countries. A new income tax treaty with the United Kingdom was signed in December 1975. It will replace the current one when ratified by both the U.S. Senate and the British House of Commons.

The Assistant Commissioner (Compliance) is the designated U.S. Competent Authority under our system of tax treaties.

In 1977 meetings were held with tax officials from several treaty countries for the purpose of improving the administration of the treaties involved. These conferences improved working arrangements for more effective exchanges of information and for resolution of recurring problems that arise from conflict of U.S. and foreign tax laws.

Technical Assistance to Foreign Countries

Since 1963 the Service has provided reimbursable training, technical and managerial advisory services to requesting foreign governments in cooperation with the Department of State and the Agency for International Development. The program objective is to assist friendly developing countries to modernize their tax administrations.

During 1977 the Service extended long-term advisory assistance to El Salvador, Liberia, Trinidad and Tobago, and Uruguay. Short-term assistance was provided to the UN Trust Territory of the Pacific Islands. An audit instructor team taught courses in Liberia and Sierra Leone.

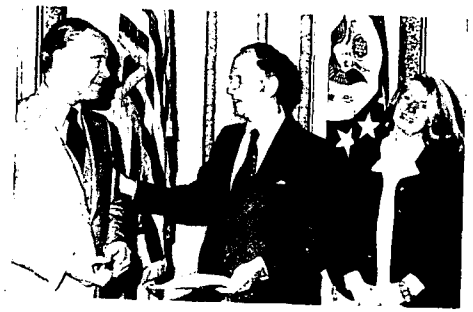
General tax administration surveys in the UN Trust Territory of the Pacific Islands, and the Northern Mariana Islands were completed. Specialized surveys were conducted for Cyprus in ADP applications, for Ecuador on collection of delinquent accounts, and for Egypt as a follow-up to a major report in 1975. New projects are under way in Sierra Leone and the Caribbean as well as the expansion of the Liberia project.

In 1977, 330 foreign tax officials from 60 countries visited the Service to participate in study-observation programs. Over 4,600 officials from 124 countries have come to the IRS for such assistance since 1963.

Among the special visitor training projects were a seven-week Middle Management Seminar in Tax Administration for 11 tax officials from Ethiopia, Indonesia, Japan, and Nigeria and a nine-week Comparative Tax Administration Seminar for six Korean tax officials. Twenty-three Harvard International Tax Program participants and 25 students from the International Monetary Fund Public Finance Course were briefed by the Service.

The Service continued support of the Inter-American Center of Tax Administrators (CIAT), the 26-country-member hemispheric organization for tax administration improvement. The Commissioner's presentation on U.S. tax simplification was one of two IRS papers presented to CIAT's Eleventh General Assembly in Caracas, Venezuela, in May 1977. The Director, Tax Administration Advisory Services Division, was made a member of CIAT's Executive Council. The IRS advised CIAT on a new format for Technical Conferences. At CIAT's request, six papers were presented to related Technical Conferences on Taxation of Multinationals and the Exchange of Information under Tax Treaties by representatives of the Office of Assistant Commissioner (Compliance) and OIO. The Service also presented two papers at the 5th Annual General Assembly of the Caribbean Organization of Tax Administrators (COTA) in Roseau, Dominica, in August 1977.

Millicent M. Wood, IRS London office secretary, receives a superior performance award from Assistant Commissioner Compliance S. B. Wolfe, as RSR William A. Voyzey observes.



Richard Gardner, U.S. Ambassador to Italy, presents 30 year service award to RSR William S. McCarter (left) at the Rome Embassy, in the presence of Mrs. Edna McCarter.

During the Annual Canadian Tax Conference at Ottawa, OIO Director Joseph G. McGowan (left) confers with Megan Burn, and (right) Monique Begin, Canadian Minister of National Revenue, as RSR Richard Reynolds listens.

Chapter 7

Legal Activities

Chief Counsel for the Internal Revenue Service

The Chief Counsel, an Assistant General Counsel of the Treasury Department, is the chief legal officer for the Internal Revenue Service. He is a member of the Commissioner's executive staff, and advises the Commissioner on all matters pertaining to the administration and enforcement of the internal revenue laws and related statutes, as well as on all non-tax legal questions.

His advisory responsibilities fall into three major areas: general, litigation and technical. The Chief Counsel is assisted by an Associate Chief Counsel (General), an Associate Chief Counsel (Litigation), an Associate Chief Counsel (Technical), and seven Regional Counsel located in the seven IRS Regional offices.

The Office of Chief Counsel employs over 900 attorneys, which makes it next to the Department of Justice, the largest law firm in the country. These attorneys are located in the National Office and in thirty-seven field offices.

Approximately forty percent of attorney time is spent in the Tax Court Litigation area handling all litigation in the United States Tax Court. The attorneys also advise the Service and assist the Department of Justice attorneys on refund suits, criminal tax cases, suits seeking the disclosure of files and documents of the IRS, collection suits, and all non-tax litigation involving the Service in Federal and state courts.

Secretary of the Treasury W. Michael Blumenthal administers the oath of office to IRS Chief Counsel Stuart E. Seigel as Mrs. Joyce Seigel holds the Bible during the ceremony.

Administrative Services

The Administrative Services Division is responsible for the general supervision of all matters relating to budget, administration, and management in the Office of Chief Counsel.

The Division coordinates the recruitment program for the Chief Counsel's Office, runs the Summer Employment Program for legal interns and provides opportunities for attorneys in the Office to participate in law school, bar association, or in-house training courses.

Under the aegis of the Division, an Equal Employment Opportunity Advisory Committee and a Federal Women's Program Advisory Committee, composed of representatives from each Division in the National Office, assist in the administration of the Chief Counsel's Equal Employment Opportunity Program. The Office continued to progress in goals under the Affirmative Action Plan during this past year. Attorney hiring goals for fiscal year 1977 were 10 percent for minorities and 20 percent for women, and the goals were achieved by hiring 10 percent minorities and 21 percent women.

The Planning, Analysis and Operations (PAO) Branch is engaged in planning and analysis, cost/benefit studies, systems development and operational activities such as legal information retrieval and computer equipment analysis. During 1977, the PAO Branch developed procedures and began microfiche filming of approximately 70,000 selected internal research documents. PAO completed requirements for an automated Criminal Tax Case Reporting System which will link the reporting of Intelligence Division cases in the Commissioner's Office with Criminal Tax cases in the Chief Counsel's Office, to provide caseload statistics compatible with the operating procedures of both organizations. PAO also initiated planning efforts to determine the feasibility of automating all Chief Counsel statistical, administrative and case control systems.

The Administrative Services Division was responsible for the introduction and implementation of Zero Base Budgeting in the Office. During the latter part of the year, the Division recruited paralegal specialists to assist attorneys in legal and other work.

Criminal Tax

Attorneys in the Criminal Tax area handle all criminal tax legal matters for the IRS, review criminal cases and decide if cases warrant prosecution, coordinate criminal tax prosecutions with the Department of Justice, provide assistance to United States attorneys in criminal tax trials upon request, assist the Tax Court and Refund Litigation Divisions in coordinating the application of the civil fraud penalties, and coordinate disclosure matters, as well as Freedom of Information Act and Privacy Act matters, in cases where criminal action is anticipated or has been undertaken.

In 1977, the Criminal Tax Division of the National Office undertook the responsibility to review unauthorized disclosure matters. Criminal Tax attorneys continued to furnish legal advice to the Intelligence Division and the Office of International Operations during the investigative stage of criminal tax cases. The prereferral assistance to these offices has resulted in a more efficient use of manpower in criminal tax investigations.

Significant Criminal Cases Fiscal Year 1977

United States v. Paepke, 550 F. 2d 385 (7th Cir. 1977) held that evidence illegally seized by State Police officers was admissible in a subsequent criminal tax prosecution. Based on information obtained in an illegal search and seizure, Paepke was arrested on narcotics charges. Incident to arrest, $12,725 was seized from his person. The illegally seized evidence was subsequently suppressed. Months later Paepke filed a tax return in which he failed to report the $12,725. In permitting the introduction at trial of the money and other illegally seized documents, the court found that the primary purpose of the exclusionary rule had been satisfied by the suppression of evidence in the state court proceedings. The court held that the local authorities at the time of Paepke's arrest could not have foreseen the instant criminal tax prosecution and hence there was no deterrent effect to be achieved by suppressing the evidence. The court also considered the fact that the taxpayer could have reported the $12,725 and claimed a Fifth Amendment privilege as to its source.

Receipt and Disposal of Criminal Tax Matters—1977

Prosecution Cases Received From Intelligence	
Pending Beginning	5,036
Total Opened	3,408
Total Closed	2,734
Counsel Declined	264
Department of Justice Declined	222
U.S. Attorney Declined	274
Prosecutions Completed	1,974
Pending End	5,710
Opinions	
Pending Beginning	17
Total Requested	86
Total Rendered	47
Pending End	56

Criminal Tax Activity—1977

Referrals By Counsel For Prosecution	2,695
Indictments & Informations	1,636
No True Bill	31
Plea of Guilty or Nolo Contendere	1,229
Convicted After Trial	247
Acquitted	55
Nol-Prossed or Dismissed	110
Legal Assistance to Intelligence Investigations (In Staff Hours)	17,765

In *United States v. Pomponio*, 429 U.S. 10 (1976) the Supreme Court held in a prosecution for willfully filing false income tax returns, that "willfully" simply means a voluntary and intentional violation of a known legal duty. The finding of an evil motive, as mandated by the Fourth Circuit decison was held to be unnecessry. The Court also stated that the term "willfully" has the same meaning in the misdemeanor and felony sections of the Internal Revenue Code.

United States v. Minnesota Mining and Manufacturing Company, 551 F.2d 1106 (8th Cir. 1977) upheld the District Court's dismissal of an indictment against 3M and two of its principal officers for filing false corporate income tax returns and other tax related violations. In affirming the District Court's decision the court found there was substantial evidence to support the conclusion that a prior agreement between the Watergate Special Prosecutor's Force and 3M prevented the prosecution of the corporation and its officers for criminal tax violations arising from illegal political contributions.

In *United States v. Sahadi*, 555 F.2d 23, (2nd Cir. 1977) the court upheld the disclosure and reporting provisions of the wagering tax laws, 26 U.S.C. § 4401, *et seq.* The court found that as Congress has enacted both specific restrictions and criminal sanctions regarding the unauthorized disclosure and use of wagering tax information, the reporting requirements of the wagering tax laws are not violative of the Fifth Amendment privilege against self-incrimination. The court distinguished *Marchetti v. United States*, 390 U.S. 39 (1968) and *Grosso v. United States*, 390 U.S. 62 (1968) in that under the wagering tax laws as existed at that time, Congress intended that the wagering information was to be provided to interested prosecuting authorities, whereas the present law clearly evidences a contrary Congressional intent.

General Litigation

Attorneys in the General Litigation area furnish legal advice to the IRS in connection with the assessment and collection of Federal taxes and assist the Department of Justice in the prosecution and defense of suits to collect taxes, suits to recover erroneous refunds, proceedings under the Bankruptcy Act and other insolvencies, civil enforcement of summonses, and injunction and declaratory judgment actions. General Litigation attorneys furnish extensive legal services and assistance unrelated to docketed cases, including day-to-day formal and informal advice to Internal Revenue Service Centers and local District Offices, and to the Assistant Commissioners (Compliance) and (Accounts, Collection and Taxpayer Service).

The Tax Reform Act of 1976 made significant changes in the General Litigation area. The amendments to I.R.C. § 6851 changed the result of the Supreme Court's decision in *Laing v. United States*, 423 U.S. 161 (1976), by providing that a termination assessment does not end the taxable year at the time the assessment is made. A termination assessment pursuant to the revised section would, contrary to the result in *Laing*, require no notice of deficiency under section 6212 within 60 days of the making of the assessment. Rather, the Act contains a new section, section 7429, which provides an expeditious procedure for review of the reasonableness of both termination and jeopardy assessments by the Service and, finally, the U.S. District Court.

Significant changes in procedures involving administrative summonses were also made by the Tax Reform Act. Section 7609 provides that when a summons is served on a third party recordkeeper to produce records or give testimony, the person to whom the record relates must be notified within three days of the service of summons. Upon notification that person has the right to stay compliance of the summons and to intervene in any summons enforcement proceeding brought by the Government. It is anticipated that this new statutory right will increase summons enforcement proceedings.

The Tax Reform Act also added section 7610 which provides the Service with authority to establish rates and conditions under which payment may be made for certain costs incurred by the person complying with the administrative summons.

Another major development was the adverse decision of the Supreme Court in *G.M. Leasing Corp. v. United States*, 429 U.S. 338 (1977). The decision held that a warrantless entry into private premises in order to effect a seizure of taxpayer's property was in violation of the Fourth Amendment. As a result, where distrainable assets are located on residential property or in limited access areas of business premises, the Service must obtain a writ from a U.S. District Court in order to enter the premises for the purpose of seizure.

Receipt and Disposal of General Litigation Cases National and Regional—FY 1977

Status	Court	Non-Court	Total
Pending September 30, 1976	10,220	1,875 [r]	12,095 [r]
Received	10,242	6,648	16,890
Disposed of	10,753	6,758	17,511
Pending October 1, 1977	9,709	1,765	11,474

[r] Revised.

General Litigation and Disclosure Cases Received
1973-1977

Types of Cases—Regions:	1973	1974	1975	1976	1977
Bankruptcies and Receiverships	1,153	1,112	1,254	1,431	1,309
Wage Earners' Plans (CH. XIII)	81	102	62	99	104
Arrangements (CH. XI)	1,526	2,273	3,440	3,422	1,828
Reorganizations & Real Property Arrangements (CH. X and XII)	184	348	626	639	393
Miscellaneous Insolvencies	140	100	102	118	68
Decedents' Estates	423	413	374	386	415
Suits to Collect Taxes	608	623	565	720	742
Section 2410 (28 U.S.C. 2410): Interpleaders	226	242	222	255	231
Others	235	162	160	230	203
Injunctions	230	272	227	188	156
Disclosure and Testimony	449	481	424	463	546
Summons Cases	1,371	1,663	1,877	2,876	3,698
Erroneous Refund Suits	32	31	42	41	24
Miscellaneous Court Cases	593	530	564	615	729
Advisory Opinions	4,556	4,310	4,860	5,305	5,561
Discharges of Property from Lien	2,429	2,269	2,701	3,500	[1]
Total, All Regions	**14,236**	**14,931**	**17,500**	**20,288**	**16,007**
National Office:	**1973**	**1974**	**1975**	**1976**	**1977**
Appeals	216	184	197	113	128
Advisory	132	140	298	484	541
International Operations	88	165	126	262	200
Disclosure and Testimony	212	158	[2]	[2]	[2]
Other Centralized Cases [3]	22	26	29	21	14
Total, National Office	**670**	**673**	**650**	**880**	**883**
Total, All Regions and National Office	**14,906**	**15,604**	**18,150**	**21,168**	**16,890**

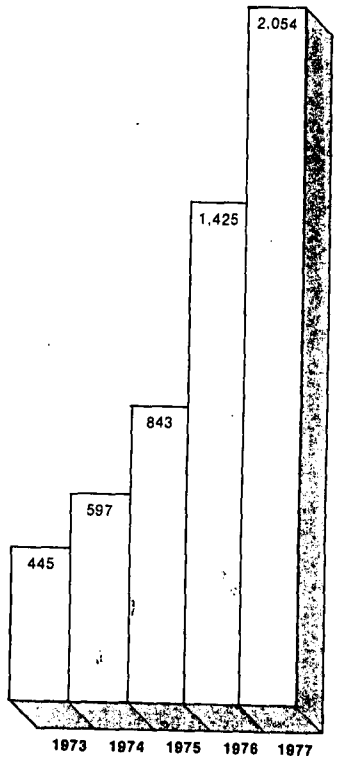
[1] No longer a category.
[2] Now handled in the Disclosure Division.
[3] Includes Railroad Reorganizations and Actions for Injunctions and/or Declaratory Relief.

General Legal Services

The General Legal Services function handles legal matters arising in the non-tax legal area. Attorneys in the General Legal Services function in the National Office and field offices represent the Service in labor cases, including representation hearings, impasse proceedings, unfair labor practices and arbitration hearings and serve as a member of and counsel to management teams negotiating individual and multi-unit labor agreements. Further, this function provides representation, where proper, to IRS employees and officials who are sued for damages in relation to actions taken while in the due performance of their official duties. These attorneys also represent the Service in adverse action and discrimination proceedings, and the Director of Practice, Office of the Secretary of the Treasury, in disciplinary actions brought against tax practitioners, as well as provide on going advice to the IRS concerning government contracts, tort claims, forfeitures, Inspection Service matters, and other areas not directly related to Federal tax matters. For the fiscal year 1977 the attorneys tried 164 cases with 1,470 hours of trial time.

During this past year, General Legal Services received two additional responsibilities under the Tax Reform Act of 1976. Where appropriate, its attorneys now represent IRS employees and officials who are sued under new I.R.C. § 7217 for damages based on the alleged unauthorized disclosure of tax information. The function is now also responsible for providing assistance to the Department of Justice in connection with litigation arising from the enforcement of the new income tax return preparer provisions, Sections 6696, 7407 and related sections.

General Legal Cases Received
(1973-1977)



Refund Litigation

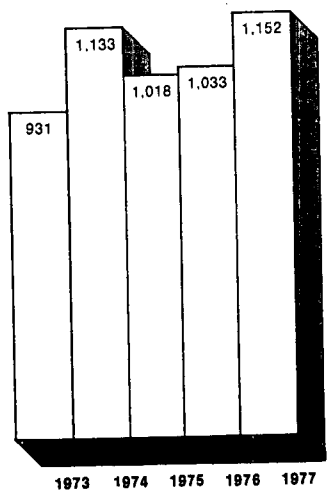
The Refund Litigation Division performs all necessary legal services on behalf of the IRS in connection with suits instituted in the United States District Courts and the Court of Claims by taxpayers for refunds of taxes. The Division determines and coordinates the legal position of the Service in these suits and incorporates such determinations in recommendations to the Department of Justice, which handles the actual trials of such cases.

Under new I.R.C. § 7428, added by the Tax Reform Act of 1976, jurisdiction is granted to the District Court for the District of Columbia and the Court of Claims (as well as the Tax Court) to issue declaratory judgments in cases involving the initial qualification or continued qualification of exempt organizations under section 501(c)(3) of the Code and certain other similar types of declaratory judgments. The Refund Litigation Division performs the necessary legal services on behalf of the Service in connection with such cases (except Tax Court cases).

A significant development in refund litigation was the Supreme Court's May 2, 1977, grant of the taxpayer's petition for a writ of certiorari in *Central Illinois Public Service Co. v. United States, 540 F.2d 300 (7th Cir. 1976), Dkt. No. 76-1058, October Term, 1977.* At issue is whether cash reimbursements for noon meal expenses incurred by employees not engaged in overnight travel constitute wages from which the employer must withhold federal income tax.

Another major development occurred in the investment credit and accelerated depreciation areas. On April 27, 1977, a decision favorable to the Government in a refund suit in the United States District Court for the Northern District of Texas on the issue was reversed by the Court of Appeals. *Texas Instruments, Inc. v. United States,* 551 F.2d 599 (5th Cir. 1977). The Court of Appeals determined that the basis of tangible tapes and films on which taxpayer recorded seismic data includes the cost of collecting the seismic data and recording it on the tangible property, and that basis was not limited to the cost of the raw tape and film.

Refund Litigation Cases Received
(1973-1977)



Tax in Litigation—Refund Suits [1]
(In Thousands of Dollars)

Status	District Courts		
	Number of Cases	Amount in Dispute [3]	Amount not Refunded [4]
Pending October 1, 1976	2,600	600,298 [r]	
Received	850	92,322	
Disposed [2]	681	57,067	22,911
% Not Refunded			45.8%
Pending September 30, 1977	2,769	635,553	

Status	Court of Claims		
	Number of Cases	Amount in Dispute [3]	Amount not Refunded [4]
Pending October 1, 1976	482	387,137 [r]	
Received	302	102,530	
Disposed [2]	123	30,106	18,038
% Not Refunded			61.7%
Pending September 30, 1977	661	459,561	

Status	Total		
	Number of Cases	Amount in Dispute [3]	Amount not Refunded [4]
Pending October 1, 1976	3,082	987,435 [r]	
Received	1,152	194,852	
Disposed [2]	804	87,173	40,949
% Not Refunded			51.7%
Pending September 30, 1977	3,430	1,095,114	

[1] Cases in Courts of Appeal and the Supreme Court are included under the columns representing the court of origin.
[2] Disposals include cases tried, settled, and dismissed.
[3] Amount in dispute includes claims for refund of taxes, penalties and interest, and counterclaim amounts.
[4] That portion of the amount sought as a refund, which was not refunded to taxpayer.
[r] Revised.

Tax Court Litigation

One of the major responsibilities of the Office of Chief Counsel is the representation of the Commissioner of Internal Revenue in all actions brought in the United States Tax Court. Trial of Tax Court cases is generally the responsibility of attorneys in the field offices. The Tax Court Litigation Division in the National Office participates in the formulation of the positions to be adopted in cases before the Tax Court to assure uniformity and consistency in Tax Court litigation.

There is a Small Tax Case procedure in the Tax Court for expeditious handling of Tax Court cases involving deficiencies of $1,500 or less. Such cases are heard by Tax Court Commissioners, and neither the taxpayer nor the government may appeal from decisions in such cases.

I. Significant Legislation

The Tax Reform Act of 1976 extended the Tax Court's declaratory judgment jurisdiction to controversies relating to certain types of tax exempt organizations, primarily involving claims for exemption under I.R.C. § 501(c)(3). The Tax Court was also given declaratory judgment jurisdiction over the taxability of certain transfers of property subject to section 367 and suits to restrain or compel disclosure of the contents of private rulings, and other similar written determinations. At the Tax Court's request, this office supplied assistance in developing new Rules of Practice to govern these three types of actions.

Trial Court Case Record
(Opinions Rendered—Refund Litigation and Tax Court Cases) [1]

Action		Court of Claims 1976	Court of Claims 1977 [2]	District Courts 1976	District Courts 1977 [3]
Decided in favor of Government	—Number	21	30	185	238
	—Percent	45.7%	68.2%	62.1%	66.3%
Decided in favor of Taxpayer	—Number	14	12	68	78
	—Percent	30.4%	27.3%	22.8%	21.7%
Decided partially for the Taxpayer and partially for the Government	—Number	11	2	45	43
	—Percent	23.9%	4.5%	15.1%	12.0%
Total Opinions		**46**	**44**	**298**	**359**

Action		Tax Court [6] Small Tax Cases 1976	Small Tax Cases 1977 [4]	Other 1976	Other 1977 [5]	Total 1976	Total 1977
Decided in favor of Government	—Number	265	258	294	283	559	541
	—Percent	62.6%	55.1%	52.9%	54.4%	57.1%	54.8%
Decided in favor of Taxpayer	—Number	44	47	68	57	112	104
	—Percent	10.4%	10.0%	12.2%	11.0%	11.4%	10.5%
Decided partially for the Taxpayer and partially for the Government	—Number	114	163	194	180	308	343
	—Percent	27.0%	34.8%	34.9%	34.6%	31.5%	34.7%
Total Opinions		**423**	**468**	**556**	**520**	**979**	**988**

[1] Related Cases are reflected as one opinion.
[2] 44 opinions in Court of Claims involving 51 cases.
[3] 359 opinions in District Courts involving 400 cases.
[4] 468 Tax Court opinions involving 487 Small Tax Cases.
[5] 520 Tax Court opinions involving 769 cases other than Small Tax Court Cases.
[6] In cases on which decisions were rendered during the fiscal year.

Appellate Court Case Record
(Decisions—Refund Litigation and Tax Court Cases)

Court	Total	For the Government No.	For the Government Percent	Against the Government No.	Against the Government Percent	Partly for and Partly Against the Government No.	Partly for and Partly Against the Government Percent
Courts of Appeals	172	120	69.8%	33	19.2%	19	11.1%
Originally tried in Tax Court	89 [1]	67	75.3%	9	10.1%	13	14.6%
District Courts	83 [2]	53	63.9%	24	28.9%	6	7.2%
Supreme Court	3 [3]	1	33.3%	1	33.3%	1	33.3%

[1] Of the cases originally tried in Tax Court, the Courts of Appeals rendered 89 opinions in 143 dockets, including 106 dockets for the government, 14 dockets against the government, and 23 dockets partially for the government.
[2] Of the cases originally tried in District Courts, the Courts of Appeals rendered 83 opinions in 94 cases, including 58 cases for the government, 26 against the government, and 10 partially for the government.
[3] The Supreme Court rendered 3 opinions in 5 cases including 1 case for the government, 3 cases against the government and 1 case partially for the government.

II. Significant Cases

In *Commissioner v. Standard Life Insurance Co.*, 45 U.S.L.W. 4842 (June 23, 1977), the Supreme Court held that unpaid premiums (deferred and uncollected premiums), were includible in assets, as defined in I.R.C. § 809(b)(4), and in gross premium income, as defined in section 809(c)(1), only to the extent of net valuation premiums and not in the amount of the entire gross unpaid premium.

The Tax Court held in *Key Buick Company v. Commissioner*, 68 T.C. 178 (1977) on appeal to Fifth Circuit, that it lacks jurisdiction, despite enactment of Pub. L. 94-559, amending 42 U.S.C. 1988, to award attorney fees to a petitioner. The Court sustained the Commissioner's position that the amendment did not apply to actions brought by a taxpayer against the Commissioner.

In *Berger Machine Products, Inc. v. Commissioner*, 68 T.C. 358 (1977), the Tax Court held that the merger of four active corporations into one corporation with resultant changes in the percentages of stock held by individual shareholders was not an "E" reorganization thus precluding the carryback under section 318(b)(3) of post-merger net operating losses.

In an opinion broadening the scope of section 263(c) to include "exploration" as part of the production of oil and gas, the Tax Court in Standard Oil Company (Indiana) v. Commissioner, 68 T.C. 325 (1977), held that intangible expenses incurred in the drilling of wells which respondent had determined were exploratory bore holes constituted deductible intangible drilling and development costs.

In *Solomon v. Commissioner*, 67 T.C. 379 (1976), and *Catterall v. Commissioner*, 68 T.C. 413 (1977), the Tax Court upheld the Commissioner's imputation of interest income to taxpayers under section 483 on their receipt of additional shares of stock, following a "B" reorganization, as part of a deferred contingent stock payout.

A conviction of one of the petitioners under section 7206(1), on the charge of filing a false income tax return, was held by the Tax Court to collaterally estop him from denying that the return was false and fraudulent in a Tax Court proceeding involving the applicability of the 50% civil fraud penalty to the income tax deficiency for that same year. *Considine v. Commissioner*, 68 T.C. 52 (1977).

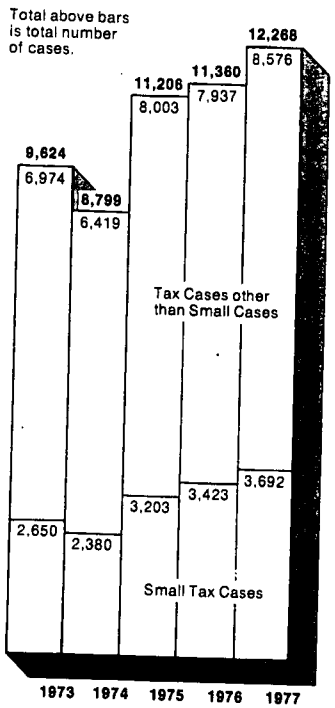
Kowalski v. Commissioner, ___ U.S. ___ (1977), 77-2 U.S.T.C. § 88.544, rev'g 544 F.2d 686 (3rd Cir. 1976), held that a cash meal allowance paid to a state trooper was includable in gross income because the payments were an accession to wealth over which the trooper had total dominion. Payments were not excludable under I.R.C. § 119 because meals were not furnished in kind and section 119 abrogated the rule that amounts paid for the convenience of the employer were excludable.

Tax in Litigation—Tax Court
(in Thousands of Dollars)

Status	Number of Cases [1]	All Tax Court Cases [2]			
		Taxes and Penalties		Overpayments	
		In Dispute	Determined	Claimed	Determined
Pending October 1, 1976	19,245 [r]	$2,637,855 [r]		$288,142	
Received	12,268	777,872		16,599	
Disposed [3]	10,129	545,010	168,074	17,854	6,722
Recovery Rate [4]			30.8%		37.6%
Pending September 30, 1977	21,384	2,870,717		286,887	
		Small Tax Cases			
Pending October 1, 1976	2,565 [r]	$1,771 [r]		52	
Received	3,692	2,561		42	
Disposed [3]	3,208	2,102	$1,165	53	16
Recovery Rate [4]			55.4%		30.2%
Pending September 30, 1977	3,049	2,230		41	

[1] Does not include an inventory of non-deficiency (Employee Plans and Exempt Organization) cases consisting of 12 cases pending October 1, 1976, 26 receipts, 3 disposals, and 35 cases pending September 30, 1977.
[2] Includes both small tax cases and other.
[3] Disposals include cases tried, settled, and dismissed. Some of the determined amounts are for cases which were subsequently appealed.
[4] Amount determined expressed as percentage of Amount Asserted or Claimed. These amounts do not include proposed assessments which are agreed to by the taxpayer at District or Appellate conferences. In the case of a claimed overpayment, the Recovery Rates shown above represent the portion of the amount in dispute which was refunded to the taxpayer.
[r] Revised.

Tax Court Cases Received
(1973-1977)



Disclosure

Attorneys in the Disclosure Division handle matters arising under the Freedom of Information Act, as well as requests for disclosure of documents and testimony in both tax and non-tax litigation. The Division is also responsible for providing legal advice to the Service concerning the Privacy Act of 1974.

Specifically, Disclosure is responsible for planning, directing and coordinating for the IRS all matters relating to requests for testimony and production of Internal Revenue documents, records or information under the Federal Rules of Civil or Criminal Procedure, the Tax Court Rules, the Court of Claims Rules and various State court rules. Disclosure works closely with the Disclosure Operations Division of the IRS. It also coordinates with the Department of Justice all litigation arising under the Freedom of Information and Privacy Acts, including recommendations about defense or settlement of suits and appeals of adverse decisions.

A significant amount of Disclosure's effort in fiscal 1977 was devoted to interpretation and implementation of I.R.C. § 6103, as amended by the Tax Reform Act of 1976, and new section 6110. Section 6110, which became effective on November 1, 1976, provides for disclosure, in edited form, of certain private letter rulings, technical advice memoranda, determination letters, and related background documents, and sets forth a complex set of conditions governing the timing, extent, and other mechanics of that disclosure. In connection with section 6110 the Division has considered a number of legal issues, including the availability of materials controlled by the provision through discovery in connection with litigation.

Section 6103, the Service's basic disclosure statute, governs the disclosure of tax returns and return information. Its amendment by the Tax Reform Act significantly changed in some respects the extent to and manner in which the Service can provide tax returns and return information to the Department of Justice and other federal agencies in connection with non-tax criminal proceedings, and to the Department of Justice in connection with tax litigation.

Receipt and Disposal of Disclosure Division Cases

Types of Cases	Pending 10/1/76	Received	Disposed	Pending 9/30/77
Disclosure Opinions	107	290	293	104
Disclosure Litigations	2	1	1	2
Discovery Opinions	6	—	4	2
FOIA Opinions	45	318	325	38
FOIA Appeals	108	386	344	150
FOIA and Miscellaneous Litigation	41	59	30	70
FOIA Requests	14	83	80	17
Privacy Act Opinions	25	29	39	15
Privacy Act Litigation	6	6	6	6
Privacy Act Requests	4	1	5	—
Privacy Act Appeals	—	—	—	—
Division Totals	**358**	**1,173**	**1,127**	**404**

Interpretative

The Interpretative Division provides legal assistance to the Office of Assistant Commissioner (Technical) and the Office of Assistant Commissioner (Employee Plans and Exempt Organizations) in the issuance of letter rulings to taxpayers, technical advice to IRS personnel, and revenue rulings and revenue procedures to be published in the Internal Revenue Bulletin. Interpretative also provides legal assistance to other Divisions in the Chief Counsel's Office in determining litigating positions and in coordinating the litigating positions with the ruling positions of the IRS.

During FY 1977, as part of a coordinated effort to curtail tax shelter abuses in the motion picture industry through the use of limited partnerships, Interpretative attorneys assisted IRS personnel in the preparation of two important revenue rulings. Rev. Rul. 77–110, 1977–16 I.R.B. 7 requires a purchaser of motion picture distribution rights through the use of nonrecourse notes to prove that the fair market value of the distribution rights approximates the amount of the nonrecourse notes. If they do not, the amount of notes cannot be included in the partnership's depreciation basis nor can interest accrued on such notes be deducted. Rev. Rul. 77–125, 1977–17 I.R.B. 11, concludes that certain loans of the types commonly utilized to finance production of motion pictures should not be considered the obligation of the production company and treated as part of the cost of producing the motion picture.

In addition, Interpretative attorneys assisted IRS personnel in the development of the Service's position relative to transactions involving cattle breeder herd tax shelters, real estate tax shelters, and oil and gas tax shelters.

Interpretative attorneys actively participated with the Solicitor General's Office in the preparation of the petition for certiorari and the brief for the Government in the case of *United States v. Standard Life Insurance Company*, 45 U.S.L.W. 4842 (June 23, 1977), concerning the proper treatment of deferred and uncollected premiums. Also relative to the taxation of insurance companies, Interpretative attorneys assisted in the preparation of Rev. Rul. 77–316, 1977–35 I.R.B. 7, involving the proper tax treatment of the so-called "offshore insurance company" situation, where a domestic corporation creates a foreign corporation (the captive) chartered as an insurance company which provides insurance coverage solely to a domestic corporation and its other subsidiaries.

Interpretative Division Cases Received
1973-1977

Type of Case	1973	1974	1975	1976	1977
Revenue Rulings	511	471	443	423	399
Letter Rulings	107	124	117	114	122
Technical Advice	117	90	80	73	80
Other Advice	185	158	212	257	189
Total	**920**	**843**	**852**	**867**	**790**

Legislation and Regulations

The Legislation and Regulations Division represents the Commissioner and the Service in tax legislative matters. Division attorneys also provide the Treasury Department's Assistant Secretary for Tax Policy with technical assistance and expertise in the development and drafting of internal revenue legislation and furnish assistance to Congressional staffs in the drafting of committee reports on tax legislation.

Legislation and Regulations Division attorneys are responsible for drafting proposed regulations and for representing the IRS in negotiating and drafting tax treaties with foreign governments. Working closely with IRS officials, attorneys in this Division participate in the preparation and review of tax forms and instructions, hold hearings on proposed regulations, evaluate suggestions by IRS personnel for regulatory changes, and review publications issued for the information and guidance of taxpayers and Service officials.

During 1977, the Division established over 200 regulations projects to implement the Tax Reform Act of 1976 (Pub. L. 94–455), approved October 4, 1976. A substantial number of these projects were published either as proposed or temporary regulations during this past year, including regulations relating to limitations on percentage depletion in the case of oil and gas wells; duties of income tax return preparers; public inspection of written determinations of the IRS; exclusion of certain disability income payments; deduction for expenditures to remove architectural and transportation barriers to the handicapped and elderly; and qualified possession source investment income.

In addition, the Division continued to publish regulations implementing the Employee Retirement Income Security Act of 1974 (Pub. L. 93–406), approved September 2, 1974, including regulations relating to minimum vesting and funding standards for qualified retirement plans.

Legislation and Regulations Division Cases Received
1973-1977

Type of Case	1973	1974	1975	1976	1977
Legislation	46	77	85	59	61
Regulations	90	56	171	85	271
Miscellaneous	38	43	33	46	41
Total	**174**	**176**	**289**	**190**	**373**

Chapter 8

Planning and Research

Planning and Research

Planning is an integral and continuing management activity within all organizational components of the Service. During 1977 IRS planning activities encompassed preparation of a Servicewide Long-Range Plan, testing of improvements in work technology and systems, organizational studies, coordination of the preparation of testimony before congressional committees, analysis of pending legislation, statistical compilation and projections of tax return data.

Completed Testing Projects

Based on successful test results, the IRS is replacing its existing computer printers with high-speed, non-impact printers, which can print up to 25 times faster than conventional printers.

During FY 1978, the IRS will install in the 10 service centers Remittance Processing Systems (RPS) which perform in a single operation several processing steps now done separately. The RPS will accelerate remittance posting and reduce processing costs.

Taxpayer Compliance Measurement Program

The Taxpayer Compliance Measurement Program (TCMP), a continuing research program measuring the nature and extent of tax law compliance, also is used to develop computerized systems for selecting returns for audit.

In FY 1977, TCMP compliance data and selection formulas were developed for the first time for organizations exempt from taxation under IR Code Subsections 501(c)(3) and (4).

Work in progress includes a survey of fiduciary returns now in field examination, a sixth survey cycle on individual returns for which sample selection has begun, and planning actions for a survey of corporate returns with no-balance sheets and with assets between one dollar and $10 million.

Alternative Filing Period Study

A sample of individual income taxpayers was sent questionnaires on current filing practices and seeking opinions on two alternative filing procedures. Three-fourths of the taxpayers who responded said they would continue to file their returns in the months of January through April even if the deadline for filing were extended. A majority of taxpayers was opposed to a second alternative that would divide individual income taxpayers into two groups—one with a January 1—December 30 tax year and an April 15 filing deadline, and the second with a July 1—June 30 tax year and an October 15 filing deadline.

State tax administrators also were surveyed on their views, with results revealing that most states probably would change their filing period to conform with any Federal change. However, many state tax administrators expressed doubt that the changes under consideration would be beneficial.

Tax Models

Developed 15 years ago to meet Treasury's need for timely estimates of revenue effects of proposed tax legislation, tax models continue to be valuable tools for economic planning. Five basic models—individuals, corporations, sole proprietorships, partnerships, and estates, are used. Each consists of generalized computer programs used with specially structured Statistics of Income (SOI) files.

In addition to the basic tax model for individual returns, the Service has developed, in accordance with the law, a special individual model set, "State Tax Models," designed to permit reliable data estimates for each of the 50 states and the District of Columbia. These models are based on the full Statistics of Income sample—over 200,000 returns for 1975—instead of the subsample of about 100,000 returns used for the basic model.

Taxpayer Service Telephone Study

Through the use of mathematical modeling techniques, the IRS has developed alternatives indicating the optimum number, size, and location of IRS toll-free telephone sites offering taxpayer assistance. A parallel study to the IRS effort was made by a commercial telephone site location firm. Results from both studies are under review to provide taxpayers with the best possible telephone assistance at the least cost.

Legal Assistance Test Program

Arrangements were made with the law schools of three universities to conduct test programs for law students to provide free legal assistance to low income taxpayers during the audit and administrative appeals processes. Students work under the close supervision of practicing attorneys and law school professors. Data from the test program are under study to determine how this assistance affects the results of audits and appeals.

Legislative Activities

The Planning and Research function is responsible for analyzing legislative proposals affecting the IRS and determining probable administrative implications. Once legislation is enacted, a plan for implementing each provision is developed and coordinated with all functions responsible for administering the legislation. During 1977 approximately 96 bills were analyzed for their impact on the IRS. Implementation plans were developed for 18 public laws, including the Tax Reform Act of 1976 and the Tax Reduction and Simplification Act of 1977.

Impact of 1976 Tax Reform Act on IRS Operations

The Tax Reform Act of 1976, which affected over 700 sections of the Internal Revenue Code, became law on October 4, 1976. The late enactment of these comprehensive changes left little time for the Service to implement provisions effective for the 1976 tax year.

Development of tax forms was a special problem because to distribute tax packages by the end of the year, the IRS must have forms ready to be printed early in October. To meet this deadline, the Service followed the proposed legislation closely and developed alternative forms to implement new provisions. Although the Act required changes in virtually every 1976 tax form, the Service was able to develop, print, and distribute the tax packages to taxpayers in time for the filing season.

New Federal-State Agreements Executed

The Tax Reform Act of 1976 contained major revisions of the Code that had the effect of nullifying all Federal-State Agreements on Coordination of Tax Administration. To avoid serious interruptions of information exchanges between IRS and state tax administration agencies, it was necessary for new agreements to be prepared and executed within a short period of time.

The development of new agreements was complicated because "umbrella" agreements with governors of the states no longer could be made. Instead, agreements with the heads of individual tax agencies within each state were required, and many states have several agencies that administer taxes. The new law also imposed complex limitations on the disclosure of Federal data, privacy safeguards, and accounting obligations on the states.

The IRS prepared a new standard agreement that incorporated provisions of the new disclosure laws and also contacted each state agency to work out an agreement satisfying the state agency and complying with Federal law.

Statistical Publications

The annual Statistics of Income (SOI) publications provide the public and the government with a variety of data reported on income tax returns, without violating taxpayers' rights to privacy. Nearly all of the data are estimates based on representative samples of returns.

Preliminary SOI publications in 1977 covered individual income tax returns for 1975, and corporation and business income tax returns for 1974. As required by the Tax Reform Act of 1976, the 1975 report for individuals included the first SOI statistics on the tax liability of individuals with high total income, computed using several different income concepts. Detailed statistics for 1974 and 1975 also were provided to the Department of the Treasury for a special publication on high income taxpayers. Publication of statistics on this topic is now required annually by the 1976 Act.

Selected data from the SOI reports are shown in the following tables.

Also published in 1977 was an SOI supplemental report on individual income tax returns providing small area data for 1972. The report provides information on the number of tax returns, adjusted gross income, selected sources of income, exemptions, and tax liability for each county and for the 125 largest metropolitan areas.

As part of the international income and tax statistical studies program, data were provided to the Treasury to help evaluate the effectiveness of the Domestic International Sales Corporation (DISC) provisions of the Code as a means of promoting U.S. exports.

Other international tax studies under way include the foreign tax credit claimed by individuals and corporations, the activities of foreign subsidiaries of U.S. corporations, and the exemption of income earned abroad by individuals. As a result of the Tax Reform Act of 1976, work is under way on two new studies for annual reports to Congress.

Receipts and Profits Reported by Businesses, Income Year 1974[1]

Industry	Number of businesses			Total receipts			Net income (less deficit)[2]		
	Active corporations	Sole proprietorships	Active partnerships	Active corporations	Sole proprietorships	Active partnerships	Active corporations	Sole proprietorships	Active partnerships
Total	**[3]1,966**	**10,874**	**1,062**	**3,089,701**	**328,262**	**139,418**	**145,998**	**45,855**	**8,865**
Agriculture, forestry, and fishing	53	3,385	123	25,453	66,867	13,198	421	7,469	1,184
Mining	16	57	14	64,804	2,991	3,765	25,904	365	−43
Construction	186	896	63	137,024	32,743	11,636	1,848	4,561	856
Manufacturing	212	213	31	1,297,266	9,118	7,693	72,533	1,138	574
Transportation and public utilities	80	360	14	222,075	10,251	2,152	8,684	1,341	7
Wholesale and retail trade	602	2,200	196	923,365	142,295	44,060	22,574	10,027	2,836
Finance, insurance, and real estate	425	739	430	303,199	11,569	29,110	11,504	3,579	−3,605
Services	389	2,944	191	115,589	51,340	27,771	2,500	17,171	7,050
Nature of business not allocable	3	81	1	926	1,088	33	30	205	4

Note: Income year 1974 covers accounting periods ended July 1974 through June 1975. Detail may not add to totals due to rounding.
[1] All figures are estimates based on samples—number of businesses are in thousands—money amounts are in millions of dollars.
[2] For sole proprietorships represents net profit reported on schedules C and F of individual income tax returns; for partnerships represents ordinary income; and for corporations represents, for the most part, taxable income before net operating loss and special deductions.
[3] Includes approximately 35,000 consolidated returns with 142,000 subsidiaries.

Individual Income Tax Returns: Number of Returns, Sources of Income, and Itemized Deductions, 1971-1975[1]

Item	Income year				
	1971	1972	1973	1974	1975
A. Number of returns	(Thousands)				
Total Forms 1040 and 1040A	**74,576**	**77,573**	**80,693**	**83,340**	**82,229**
Taxable	59,916	60,869	64,267	67,335	61,491
Nontaxable	14,660	16,704	16,425	16,005	20,739
Returns with itemized deductions, total	**30,686**	**26,980**	**28,047**	**29,564**	**26,074**
Taxable	29,285	25,709	26,868	28,340	24,522
Nontaxable	1,401	1,272	1,180	1,225	1,552
Returns with standard deductions, total[2]	**43,891**	**50,592**	**52,645**	**53,776**	**56,155**
Taxable	30,631	35,161	37,400	38,996	36,969
Nontaxable[2]	13,259	15,432	15,246	14,780	19,186
B. Sources of income	(Million dollars)				
Adjusted gross income less deficit, total	**673,619**	**745,975**	**827,148**	**905,523**	**947,785**
Salaries and wages	564,967	622,599	687,179	758,629	795,399
Business, farm, and profession	34,226	38,559	45,330	44,043	42,985
Dividends in adjusted gross income	15,671	16,794	18,734	20,888	21,892
Interest received	24,731	27,400	32,174	39,543	43,434
Partnership	10,803	11,058	11,159	11,013	10,751
Net capital gains	13,155	17,075	16,672	13,470	14,072
All other income	10,066	12,490	15,900	17,937	19,252
C. Itemized deductions	(Million dollars)				
Itemized deductions, total	**91,870**	**96,665**	**107,035**	**119,406**	**122,261**
Taxes	Not tabulated	36,166	39,374	43,321	44,141
Interest paid		27,347	31,942	37,369	38,885
Contributions		13,208	13,896	14,851	15,393
Medical and dental expense		10,100	10,722	11,455	11,422
Other deductions		9,844	11,101	12,410	12,420

Note: Returns classified as taxable are those with income tax after credits or additional tax for tax preferences (minimum tax) or both. Detail may not add to totals due to rounding.
[1] All figures are estimates based on samples.
[2] Includes returns with no adjusted gross income.

These studies will provide information concerning cooperation by U.S. entities in international boycotts and the effect of the new system of taxing U.S. corporations operating in Puerto Rico and American possessions.

Plans were completed in 1977 for statistical studies of the impact of the Employee Retirement Income Security Act of 1974 on pension plans. As part of the single agency filing requirement negotiated with the Department of Labor (DOL) and to meet DOL requirements, the Service will process a statistical sample of pension plan returns starting with plan year 1977. Meanwhile, the IRS is proceeding with its own statistical study for the 1976 plan year.

Statistics of Income publications may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Returns-Filed Projections

Planning throughout the Service is based on projections of the number of returns to be filed. The planning requirements of the various units of the Service require that workload projections be prepared for the entire United States as well as for service center areas, regions and districts. Specialized projections are made also for research purposes. The projections are updated each year to incorporate changes in the economic and demographic outlook as well as the effects of tax law changes and filing patterns. Statistical techniques are used to identify the relationships between tax returns filed and economic and demographic changes.

The total number of primary returns and supplemental documents is expected to grow from 128.5 million in 1976 to 162.0 million in 1985. This is an increase of 26.1 percent and reflects the expected growth in population and economic activity.

The table on the next page shows selected types of returns filed in 1976 and projected through to 1985 by calendar year.

Selected Types of Returns Filed in 1976 and Projected for 1977, 1978, 1980, and 1985, by Calendar Year
(Thousands)

Type of return	Actual 1976	Estimated 1977	Projected 1978	Projected 1980	Projected 1985	Percent change 1976-1985
Total Primary returns and supplementals	**128,209**	**133,385**	**136,633**	**144,842**	**162,031**	**26.4**
Total Primary returns	123,726	127,255	130,247	136,061	149,052	20.5
Individual, total	82,691	85,778	88,325	92,913	102,774	24.3
Form 1040A	27,787	28,988	29,931	30,430	30,430	9.5
Form 1040	54,761	56,654	58,256	62,340	72,188	31.8
Form 1040NR, 1040PR, and 1040SS	115	111	113	117	129	12.5
Form 1040C	14	10	10	10	10	−31.0
Form 1042	14	15	15	16	17	16.9
Individual declaration	7,885	8,095	8,266	8,572	9,265	17.5
Fiduciary	1,621	1,737	1,851	2,076	2,779	71.4
Partnership	1,135	1,153	1,178	1,225	1,342	18.3
Corporation[1]	2,173	2,257	2,324	2,448	2,786	28.2
Estate	254	263	178	183	235	−7.1
Gift	322	333	268	315	475	47.3
Employment[2]	24,841	25,087	25,267	25,670	26,557	6.9
Exempt organization[3]	523	502	517	548	624	19.3
Employee plans[4]	786	565	581	606	685	−12.9
Alcohol, Tobacco and Firearms returns[5]	590	576	577	579	583	−1.2
Excise[6]	905	909	915	926	947	4.6
Total Supplemental Documents[7]	4,483	6,130	6,386	8,781	12,979	189.5

[1] Includes Forms 1120, 1120 Special, 1120F, 1120 DISC, 1120-H, 1120 POL, and 1120S.
[2] Includes Forms 940, 940PR, 941, 941E, 941PR, 941SS, 941M, 942, 942PR, 943, 943PR, CT-1, and CT-2.
[3] Includes Forms 990, 990-C, 990-PF, 990-T, 4720, and 5227.
[4] Includes Forms 5500, 5500C and 5500K.
[5] Includes Forms 7, 8, 11, 4705, 4706, 4707, 4708, Alcohol and Tobacco.
[6] Includes Forms 11B, 11C, 720, 720M, 730, 2290, and 4638.
[7] Includes Forms 1040X, 1120X, 2688, 4868, 7004, 7005, 2438, 990AR, 5300 Series, 4578 and 5329.

Chapter 9

Internal Management

Maintaining IRS Integrity and Efficiency

The Inspection Service's internal audit and security programs aid IRS managers in maintaining the highest levels of efficiency and integrity.

The Internal Audit Activities

The Internal Audit staff independently appraises the operations of the IRS to ascertain the extent of compliance with established management policies and to determine whether procedures are in accordance with law and regulations. Controls are reviewed in all IRS activities to ensure that both the revenue and taxpayers' rights are protected and that operations are carried out efficiently, effectively, and with integrity.

Internal Audit emphasizes the review of operations that have widespread impact on the Service or that are considered high risk. Priority is also given to reviews of controls for safeguarding tax information and assuring fair and equitable treatment of taxpayers.

Improvement and Savings

Internal Audit issued 344 reports to Service managers during the fiscal year. Management actions on the problems reported resulted in better service to taxpayers, strengthened controls, and improved operations. In addition, management actions on Internal Audit findings resulted in measurable savings and additional revenue estimated to total $88 million.

Fraud, Embezzlement or Misconduct

Internal Audit gives priority to the detection of fraud, embezzlement, or other wrong-doing on the part of Service employees or others attempting to corrupt Service employees. During the year, Internal Audit also informed Internal Security of possible breaches of integrity by 179 employees and 28 other individuals. Internal Audit also helped design and implement an improved Servicewide Refund Scheme Detection Program. This program resulted in the detection of schemes claiming fraudulent refunds of approximately $6.5 million. Most refunds were stopped before they were issued to the claimants.

Internal Audit Initiatives

New procedures to improve the efficiency of management operations were instituted, including:

Coordinated audits of national or regional programs are emphasized to provide managers information on program effectiveness or needed corrective action, as well as conserve audit resources.

Limited reviews of high risk areas are also used to ensure appropriate audit coverage to small offices.

Internal Security Activities

The Internal Security Division protects the integrity of the Service by investigating high risk areas and alerting managers and employees to integrity hazards.

The division conducts background investigations of IRS job applicants to assure that quality personnel are employed, and investigates complaints of criminal misconduct or irregularities affecting IRS employees or operations. Investigations may also include IRS employees or other personnel who unlawfully attempt to bribe, threat, or assault Service personnel.

The division also investigates the unauthorized disclosure of Federal tax return information, disclosure or use of information by preparers of returns, and charges against tax practitioners. In addition, the division conducts special investigations and inquiries for the Commissioner and the Office of the Secretary of the Treasury.

During 1977 Internal Security Inspectors arrested or were responsible for the indictment of 158 individuals, including 91 taxpayers and tax practitioners, and 67 employees or former employees. A total of 119 defendants were convicted during the year including 97 defendants who pleaded guilty. Fifty of these convictions were for bribery, 14 were for assault, and the remainder involved such other criminal charges as conspiracy to defraud the government, obstruction of justice, subscribing to false returns, disclosure of confidential tax information and embezzlement.

Bribery Awareness

During 1977 the division developed a video tape presentation, "Anatomy of a Bribe," realistically portraying the investigation of a bribery case from the initial offer to the subsequent trial of the offender. This video tape and others were distributed Servicewide and used in bribery awareness lectures.

Last year IRS employees continued to thwart those who—through attempted bribery—challenged the integrity of the Service. In 1977, 157 employees reported 180 possible bribery attempts resulting in 48 arrests or indictments. At the end of 1977, 27 persons were awaiting trial on bribery charges.

Assaults and Threats on IRS Employees

The protection and safety of IRS employees subjected to threats and physical assaults while performing their duties was assigned to the Internal Security Division in March 1972. Since then prosecution has been authorized in 208 cases, 107 cases resulted in convictions or guilty pleas, and 20 cases are pending trial. During 1977, 19 persons were convicted, pleaded guilty, were placed in the pre-trial diversion program, were subject of revocation of probation, or were referred for prosecution to local authorities.

Of 528 total cases investigated, most were threat investigations, which make up almost all of the instances in which prosecution is not authorized. In these instances, inspectors, with the approval of the U.S. Attorney, contact the alleged assailant to inform him or her of applicable Federal statutes concerning assaults or threats on government employees. The individual also is advised that repetitive acts could result in serious consequences, including prosecution.

Investigation of Employees

The Internal Security Division completed 13,579 investigations of employees during the year. In addition, police record searches were conducted on 16,386 persons considered for temporary, short-term appointments or for positions created for special economic educational programs.

These record searches resulted in the rejection of 99 job applicants and in disciplinary actions against 946 employees, including separations, suspensions, reprimands, warnings or demotions.

In a new development, an Internal Security investigation conducted in Detroit resulted in Federal indictments of 53 present and former employees for falsely claiming and collecting welfare payments, specifically Aid to Dependent Children. The individuals were identified by comparing the Service's payroll list with the state welfare rolls.

Investigative Teamwork

In some cases, breaches of integrity by individuals may be investigated jointly by Internal Audit and Internal Security with the assistance of the IRS Intelligence Division.

One joint investigation disclosed weaknesses in supervisory controls that allowed a revenue agent to assign cases to himself so he could give preferential treatment to taxpayers for personal gain. The agent later plead guilty to accepting gratuities from a taxpayer.

In another, Intelligence agents found the names of IRS employees on expense vouchers filed by corporate officials. The matter was referred to Inspection, which found employees received gratuities from the corporation. A former IRS supervisor was found guilty of accepting gifts, and two corporate officials were indicted for paying gratuities to the former employee.

In each region, integrity development projects initiated by Internal Audit and Internal Security probed high risk Service operations. For example, tests were made at service centers to determine whether existing controls and procedures protect the

computerized Integrated Data Retrieval System (IDRS) from fraudulent or unauthorized use by employees. Controls over the receipt and processing of remittances also were tested in cashier functions in district offices. Accountability records were verified to determine that receipts were processed timely and in accordance with procedures, and payments to vendors of goods and services, employee travel vouchers and the uses of travel advances were reviewed.

Violations of tax laws discovered during internal audits and integrity investigations are referred to the Intelligence Division for investigation if no employees are involved. During the year there were 18 such referrals.

Cost Reduction and Management Improvement

During 1977 the IRS continued to give high priority to efforts aimed at improving management and reducing costs. Spearheading these efforts was the Management Objectives Program. This program encouraged every Assistant Commissioner to maintain a high level of cost consciousness and to emphasize productivity savings in all operating areas.

As a result of these efforts, involving participation of IRS managers and employees at every level, the Service realized savings of many millions of dollars.

Within the Incentive Awards Program alone, employee participation in cost reduction efforts resulted in the adoption of 795 employee suggestions, with resulting tangible benefits of $987,000. In addition, 231 awards were granted for special achievements that saved the IRS approximately $1,552,000.

Space and Property Management

Special emphasis has been placed on efficient utilization of space and property resources to reduce costs. Several internal management reporting systems helped the IRS monitor and control space and property inventories in cooperation with the General Services Administration (GSA). Computerized systems for vehicle reporting have reduced manual reporting staff time.

In 1977 more than $1.5 million was saved by open office planning and multiple occupancy work station concepts.

Automated mail processing equipment installed at one service center in 1977 increased the efficiency of mail operation and reduced staff time so markedly that the equipment will be placed in all 10 IRS service centers by March 1978.

Reports Management Program

During 1977 the Service continued its efforts to eliminate nonessential internal management reporting. As a result of this action, 27 reports were cancelled at savings of approximately $310,000 a year.

Records Disposal Program

Records disposal resulted in the release of space and equipment valued at over $2.2 million. In accordance with regular programs, 155,497 cubic feet of records were destroyed and 315,436 cubic feet of records were retired to Federal records centers.

Telecommunications

The Service expanded its cost reduction efforts in the area of telecommunications. Approximately $1.2 million in Federal Telecommunications Systems (FTS) charges were saved in 1977 by reducing local telephone equipment and consolidating data transmission facilities.

Projected conversions of telephone systems from attended to unattended status will result in a decrease of 11 staff years by July 1978.

Administrative Mail Management

Special service center zip codes will be used nationwide as of January 1, 1978, reducing the average time of mail transit from the taxpayer to IRS service centers by one day. It is estimated that interest savings to the government will exceed $5 million, with funds available to the Treasury a day earlier.

Treasury Safety Award to IRS

The IRS continued to rate as one of the top Federal agencies in safety, earning the Secretary's Safety Award of Excellence for 1976 based on its outstanding record in the Occupational Safety and Health Program areas.

The IRS had a rate of 3.5 disabling employee injuries per million staff hours worked in 1976, and Service personnel drove 126.3 million miles on official business in 1976 with 745 accidents, 129 less than in 1975, and an accident frequency rate of 5.8 per million miles driven, compared with 6.4 in 1975.

Position Management Initiatives

Position management and effective utilization of personnel resources resulted in savings of several million dollars during 1977.

For example, during the year over 1,200 positions in Audit, Collection and Intelligence were filled with paraprofessionals rather than higher graded professional and technical personnel, resulting in savings of over $6.7 million. The use of paraprofessionals has been explored in other functional areas, such as Inspection, Appellate, and EP/EO.

The IRS average grade has decreased from 7.72 in 1968, to 7.56 in 1977, while the average grade for the Federal government has increased from 7.4 to 8.0 over that same period.

Labor-Management Activities

In December 1976, the IRS concluded negotiations with the National Treasury Employees Union (NTEU) resulting in a four-year collective bargaining agreement covering approximately 30,000 employees in 57 of the 58 district offices. In May 1977, negotiations with NTEU involving regional offices were concluded, resulting in a four-year agreement covering approximately 1,700 employees in six of the seven regions. Overall, the National Office agreement, the multi-center agreement, and the multi-regional and multi-district agreements cover over 65,000 IRS employees.

During the year, the Service conducted nationwide training in basic labor relations plus advanced courses in local negotiations, arbitration, and unfair labor practice procedures, to increase the expertise of personnel specialists administering Executive Order 11491, as amended, and the provisions of the collective bargaining agreements.

The Unfair Labor Practice (ULP) caseload has dropped by approximately one-third and the arbitration caseload has risen by approximately one-third during the past year. The sharp drop in ULPs reflects greater expertise by operating managers in applying and implementing Executive Order 11491, as amended. The rise in the arbitration caseload can be attributed to greater employee awareness of the right to file grievances and to appeal, and local management interpretation of the applicable agreement.

Employment of the Handicapped

The number of handicapped Service employees increased slightly from 1,642 in 1976 to 1,667 in 1977. More than 140 visually handicapped employees are working as taxpayer service representatives (TSRs). The IRS nominee for Outstanding Federal Handicapped Employee of the Year was Ms. Arietta Woods, a blind taxpayer service specialist (TSS) from the Los Angeles District, symbolizing the capability and excellence of handicapped employees.

Marty Matthews, a blind Pittsburgh District taxpayer service representative, is shown using the "talking calculator". When Marty punches out complicated tax figures, the machine calculates the answer in seconds and responds through the ear phone by electronic voice. Marty has been employed by IRS since 1974, and is guided about by her faithful Irish setter, Glee.

Equal Employment Opportunity

The Service continued to make progress in the employment of women and minorities in 1977. Total employment from July 1976 to July 1977 increased by 2.99 percent, while the number of women increased by 7.52 percent and the number of minorities by 6.19 percent.

The number of women and minorities at higher grade levels and in key occupations, including revenue agent, revenue officer, tax auditor, attorney, and criminal investigator also increased.

Training to instruct Equal Employment Opportunity (EEO) counselors in Class Discrimination Complaints was developed during 1977. In addition, course development was begun on a training program in 1978 for Special Emphasis Program coordinators, including the Federal Women's Program, Spanish Speaking Program and Upward Mobility Program.

Assistance to State and Local Governments

IRS assistance to states, local governments, and territories includes participation in IRS training courses, the use of IRS training materials, and on-site technical advisory assistance.

In 1977, 47 tax officials from 13 states, one city government, Puerto Rico and the Virgin Islands participated in IRS formal training courses, providing over 92 weeks of training assistance. Courses included basic revenue agent training, employee plan determination techniques, exempt organization procedures, and effective TV-Radio communications.

Training materials or classroom assistance also were provided to several jurisdictions to assist in developing their own training courses.

During 1977 the IRS received six requests from states and territories for on-site assistance under the Intergovernmental Personnel Act (IPA). Two formal short-term assignments of IRS personnel were made to Guam to improve its revenue training program, and a survey was made of problems in converting the Virgin Islands' revenue processing system to ADP.

Since the IPA program started in 1970, the Tax Administration Advisory Services Division (TAAS) has made 29 short-term assignments to 10 states, Puerto Rico, Guam, and the University of Southern California.

Art Advisory Panel

Since 1968 a 12-member panel of art experts, including museum directors, scholars, and art dealers, has helped the Service determine the value of works of art donated to charity or included in taxable gifts.

The Commission's Art Advisory Panel held two meetings during 1977. The panel reviewed 395 works of art with a claimed value of over $15 million. An in-house art group assisted the panel by responding to field requests for valuations on antique furniture, ceramics, Oriental and African art, gemstones, and historical or political memorabilia. Almost half of the appraisal items received is now referred to the IRS in-house art group for valuation recommendations.

In nine years of operations the panel has reviewed works of art appraisals valued at over $211 million, recommending valuation adjustments of over $63 million.

Special Agent Training

Late in 1976 the Deputy Commissioner appointed a study group of various IRS managerial personnel to ensure that special agents are properly trained in criminal investigative techniques and that the training is cost effective.

Major recommendations of the study group were adopted and revisions to the special agent training were implemented during 1977. Not only is the training now more effective but the training time has been reduced by three weeks, saving an estimated $75,000 in per diem costs and 3,000 staff days annually.

Another recommendation of the study group, that Intelligence Division employees receive advanced training for certain specialized duties, was adopted. "Large Case Training" has been developed to enable agents to conduct investigations of Coordination Examination Program cases. This program will include studies on case analysis and planning, corporate structure, grand juries, referrals, and information. It will be given to about 200 special agents in 1978. Intelligence computer specialist training, which was initiated this year, proved successful.

Computer Audit Specialist Training

Many corporations and small businesses now use computers to provide tax return information. The growth of computer preparation of business tax information was anticipated by the IRS several years ago, and the need to train a cadre of IRS employees in the techniques of using computer records for audits was recognized. Currently, there are more than 120 revenue agents qualified as computer audit specialists.

With business taxpayers developing more sophisticated computerized records, training for computer audit specialists during 1978 will include such advanced techniques as Common Business Oriented Language (COBOL), "Report Writer," data base management, and distributive processing.

Specialized Tax Reform Act Training

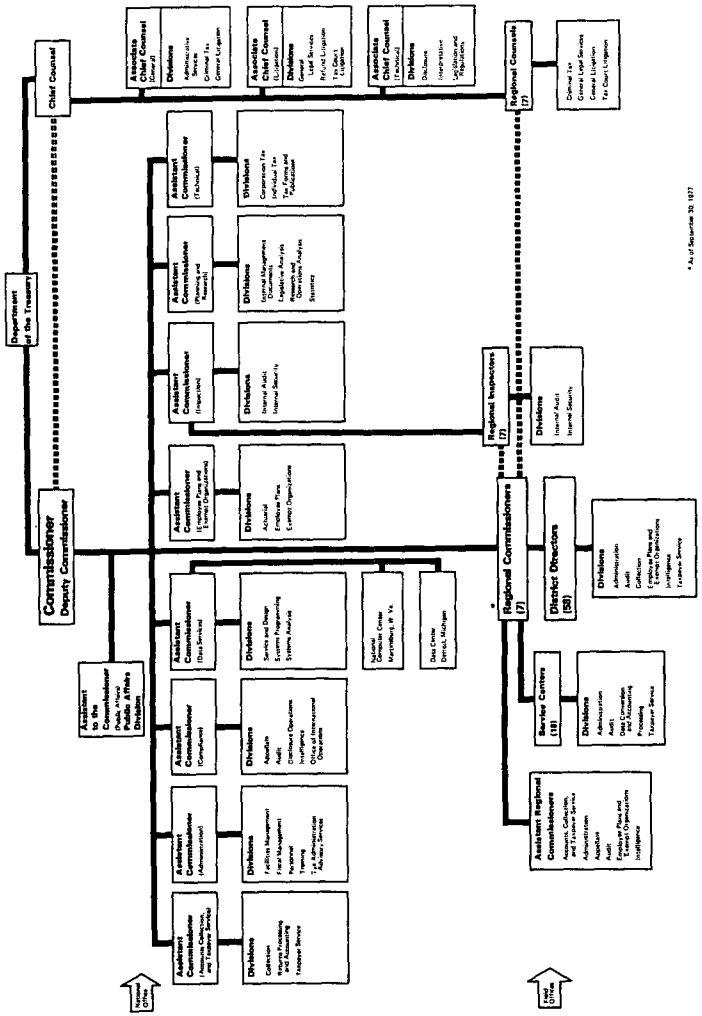
Since the Tax Reform Act of 1976 had a significant impact on the work and responsibilities of every IRS employee, it was important to inform each of applicable provisions in the Act and of its effect on Service operations. Revisions to all course materials were issued promptly after the Act became law to make certain that employees who deal with taxpayers directly were informed of changes in the tax law. Informational notices continue to clarify regulations, rulings and interpretations for employees.

IRS Commissioner Jerome Kurtz (center) receives amiable advice from former Commissioners Donald C. Alexander and Sheldon Cohen (left to right), as Secretary of the Treasury W. Michael Blumenthal, Mrs. Elaine Kurtz, and former Commissioner Johnnie Walters listen. The meeting followed Mr. Kurtz's swearing-in ceremony, June 15, 1977.

Chapter 10

Appendix

IRS Organization Chart *

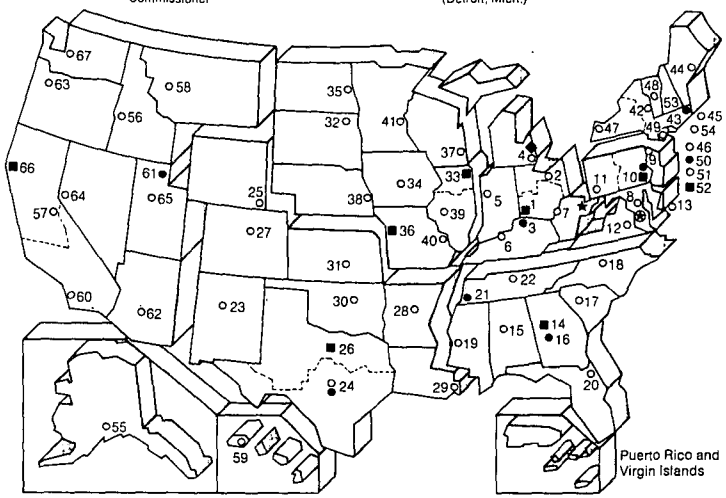


* As of September 30, 1977

Map of Regions, Districts, and Service Centers

Key:

- ⊛ Commissioner of Internal Revenue (Washington, D.C.)
- ■ Regional Commissioner
- ○ District Director
- ● Service Center
- ★ National Computer Center (Martinsburg, W. Va.)
- ◆ IRS Data Center (Detroit, Mich.)
- — Regional Boundary
- ---- District Boundary



Region and District Legend:

Central Region

1 Cincinnati, Ohio
2 Cleveland, Ohio
3 Covington, Ky. (Cincinnati SC)
4 Detroit, Mich.
5 Indianapolis, Ind.
6 Louisville, Ky.
7 Parkersburg, W. Va.

Mid-Atlantic Region

8 Baltimore, Md.
9 Newark, N.J.
10 Philadelphia, Pa.
11 Pittsburgh, Pa.
12 Richmond, Va.
13 Wilmington, Del.

Southeast Region

14 Atlanta, Ga.
15 Birmingham, Ala.
16 Chamblee, Ga.
17 Columbia, S.C.
18 Greensboro, N.C.
19 Jackson, Miss.
20 Jacksonville, Fla.
21 Memphis, Tenn.
22 Nashville, Tenn.

Southwest Region

23 Albuquerque, N. Mex.
24 Austin, Tex.
25 Cheyenne, Wyo.
26 Dallas, Tex.
27 Denver, Colo.
28 Little Rock, Ark.
29 New Orleans, La.
30 Oklahoma City, Okla.
31 Wichita, Kans.

Midwest Region

32 Aberdeen, S. Dak.
33 Chicago, Ill.
34 Des Moines, Iowa
35 Fargo, N. Dak.
36 Kansas City, Mo.
37 Milwaukee, Wis.
38 Omaha, Neb.
39 Springfield, Ill.
40 St. Louis, Mo.
41 St. Paul, Minn.

North Atlantic Region

42 Albany, N.Y.
43 Andover, Mass.
44 Augusta, Maine
45 Boston, Mass.
46 Brooklyn, N.Y.
47 Buffalo, N.Y.
48 Burlington, Vt.
49 Hartford, Conn.
50 Holtsville, N.Y. (Brookhaven SC)
51 Manhattan, N.Y.
52 New York, N.Y.
53 Portsmouth, N.H.
54 Providence, R.I.

Western Region

55 Anchorage, Alaska
56 Boise, Idaho
57 Fresno, Calif.
58 Helena, Mont.
59 Honolulu, Hawaii
60 Los Angeles, Calif.
61 Ogden, Utah
62 Phoenix, Ariz.
63 Portland, Ore.
64 Reno, Nev.
65 Salt Lake City, Utah
66 San Francisco, Calif.
67 Seattle, Wash.

Commissioners of Internal Revenue 1862–1977 and Acting Commissioners during transitory periods.

George S. Boutwell
Massachusetts
July 17, 1862/Mar. 4, 1863

Joseph J. Lewis
Pennsylvania
Mar. 18, 1863/June 30, 1865

William Orton
New York
July 1, 1865/Oct. 31, 1865

Edward A. Rollins
New Hampshire
Nov. 1, 1865/Mar. 10, 1869

Columbus Delano
Ohio
Mar. 11, 1869/Oct. 31, 1870

Alfred Pleasonton
New York
Jan. 3, 1871/Aug. 8, 1871

John W. Douglass
Pennsylvania
Aug. 9, 1871/May 14, 1875

Daniel D. Pratt
Indiana
May 15, 1875/July 31,1876

Green B. Raum
Illinois
Aug. 2, 1876/Apr. 30, 1883

Walter Evans
Kentucky
May 21, 1883/Mar. 19, 1885

Joseph S. Miller
West Virginia
March 20, 1885/Mar. 20, 1889

John W. Mason
West Virginia
Mar. 21, 1889/Apr. 18, 1893

Joseph S. Miller
West Virginia
Apr. 19, 1893/Nov. 26, 1896

W. St. John Forman
Illinois
Nov. 27, 1896/Dec. 31, 1897

Nathan B. Scott
West Virginia
Jan. 1, 1898/Feb. 28, 1899

George W. Wilson
Ohio
Mar. 1, 1899/Nov. 27, 1900

John W. Yerkes
Kentucky
Dec. 20, 1900/Apr. 30, 1907

John G. Capers
South Carolina
June 5, 1907/Aug. 31, 1909

Royal E. Cabell
Virginia
Sept. 1, 1909/Apr. 27, 1913

William H. Osborn
North Carolina
Apr. 28, 1913/Sept. 25, 1917

Daniel C. Roper
South Carolina
Sept. 26, 1917/Mar. 31, 1920

William M. Williams
Alabama
Apr. 1, 1920/Apr. 11, 1921

David H. Blair
North Carolina
May 27, 1921/May 31, 1929

Robert H. Lucas
Kentucky
June 1, 1929/Aug. 15, 1930

David Burnet
Ohio
Aug. 20, 1930/May 15, 1933

Guy T. Helevering
Kansas
June 6, 1933/Oct. 8, 1943

Robert E. Hannegan
Missouri
Oct. 9, 1943/Jan. 22, 1944

Joseph D. Nunan, Jr.
New York
Mar. 1, 1944/June 30, 1947

George J. Schoeneman
Rhode Island
July 1, 1947/July 31, 1951

John B. Dunlap
Texas
Aug. 1, 1951/Nov. 18, 1952

T. Coleman Andrews
Virginia
Feb. 4, 1953/Oct. 31, 1955

Russell C. Harrington
Rhode Island
Dec. 5, 1955/Sept. 30,1958

Dana Latham
California
Nov. 5, 1958/Jan. 20, 1961

Mortimer M. Caplin
Virginia
Feb. 7, 1961/July 10, 1964

Sheldon S. Cohen
Maryland
Jan. 25, 1965/Jan. 20, 1969

Randolph W. Thrower
Georgia
Apr. 1, 1969/June 22, 1971

Johnnie M. Walters
South Carolina
Aug. 6, 1971/Apr. 30, 1973

Donald C. Alexander
Ohio
May 25, 1973/Feb. 26, 1977

Jerome Kurtz
Pennsylvania
May 5, 1977

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

In addition, the following were Acting Commissioners during periods of time when there was no Commissioner holding the office:

Joseph J. Lewis of Pennsylvania from Mar. 5 to Mar. 17, 1863; John W. Douglas of Pennsylvania from Nov. 1, 1870 to Jan. 2, 1871; Henry C. Rogers, of Pennsylvania, from May 1 to May 10, 1883, and from May 1 to June 4, 1907; John J. Knox, of Minnesota from May 11 to May 20, 1883; Robert Williams, Jr., of Ohio, from Nov. 28 to Dec. 19, 1900; Millard F. West, of Kentucky, from Apr. 12 to May 26, 1921; H. F. Mires, of Washington, from Aug. 16 to Aug. 19, 1930; Pressly R. Baldridge, of Iowa, from May 16 to June 5, 1933; Harold N. Graves, of Illinois, from Jan. 23 to Feb. 29, 1944; John S. Graham, of North Carolina, from Nov. 19, 1952, to Jan. 19, 1953; Justin F. Winkle, of New York, from Jan. 20 to Feb. 3, 1953; O. Gordon Delk, of Virginia, from Nov. 1 to Dec. 4, 1955, and from Oct 1 to Nov. 4, 1958; Charles I. Fox, of Utah, from Jan. 21 to Feb. 6, 1961; Bertrand M. Harding, of Texas, from July 11, 1964 to Jan. 24, 1965; William H. Smith of Virginia, from Jan. 21 to Mar. 31, 1969; Harold T. Swartz of Indiana, from June 23 to Aug. 5, 1971; and Raymond F. Harless of California from May 1 to May 25, 1973; William E. Williams of Illinois from Feb. 27 to May 4, 1977.

Internal Revenue Commissioners who served in Cabinet positions.

George S. Boutwell
Secretary of the Treasury
1869–1873

Columbus Delano
Secretary of the Interior
1870–1875

Daniel C. Roper
Secretary of Commerce
1933–1939

Robert E. Hannegan
Postmaster General
1945–1947

Principal Officers of the Internal Revenue Service as of September 30, 1977

National Office

Office of the Commissioner
Jerome Kurtz

Deputy Commissioner
William E. Williams

Assistant to the Commissioner
Marvin Katz
Thomas V. Glynn

Assistant to the Commissioner (Public Affairs)
A. James Golato

Assistant to the Deputy Commissioner
Alvin H. Kolak

Accounts, Collection and Taxpayer Service

Assistant Commissioner
James I. Owens

Deputy Assistant Commissioner
Donald J. Porter

Division Directors:
Collection
Kenneth E. Luke
Program Planning and Review
Suellen P. Hamby
Returns Processing & Accounting
Russell E. Dyke
Taxpayer Service
Stanley Goldberg

Administration

Assistant Commissioner
Joseph T. Davis

Deputy Assistant Commissioner
Alan A. Beck

Division Directors:
Facilities Management
Leo C. Inglesby
Fiscal Management
Joseph F. Kump
Personnel
Billy J. Brown
Tax Administration Advisory Services
Gordon C. Hill, Jr.
Training
Orion L. Birdsall
Equal Employment Opportunity Officer
Barbara Thompson

Compliance

Assistant Commissioner
S. B. Wolfe

Deputy Assistant Commissioner
Donald E. Bergherm

Division Directors:
Appellate
Roydell S. Rosfeld
Audit
John L. Wedick, Jr.
Disclosure Operations
Howard T. Martin
Intelligence
Thomas J. Clancy
Office of International Operations
Joseph G. McGowan

Data Services

Assistant Commissioner
Patrick J. Ruttle

Division Directors:
Data Center, Detroit, MI
James E. Daly, Jr.
National Computer Center, Martinsburg, WV
William E. Palmer
Service & Design
Daniel N. Capozzoli
Systems Analysis
Donald E. Curtis
Systems Programming
Carolyn Buttolph

Employee Plans/Exempt Organizations

Assistant Commissioner
Alvin D. Lurie

Deputy Assistant Commissioner
Teddy R. Kern

Division Directors:
Actuarial
Ira Cohen
Employee Plans
Fred J. Ochs
Exempt Organizations
Joseph A. Tedesco

Inspection

Assistant Commissioner
Warren A. Bates

Deputy Assistant Commissioner
Robert L. Rebein

Division Directors:
Internal Audit
Rudolph Arena
Internal Security
William E. Mulroy

Planning and Research

Assistant Commissioner
Anita F. Alpern

Deputy Assistant Commissioner
Walter E. Bergman

Division Directors:
Internal Mangement Documents
Jack G. Petrie
Legislative Analysis
Rondal C. Blankenship
Research and Operations Analysis
Walter E. Bergman
Statistics
Vito Natrella

Technical

Assistant Commissioner
John L. Withers

Deputy Assistant Commissioner
S. A. Winborne

Division Directors:
Corporation Tax
John W. Holt
Individual Tax
Aaron Feibel
Tax Forms and Publications
Roy J. Linger

Office of Chief Counsel

Chief Counsel
Stuart E. Seigel

Associate Chief Counsel (General)
Leon G. Wigrizer

Associate Chief Counsel (Litigation)
Dennis J. Fox

Associate Chief Counsel (Technical)
Lester Stein

Technical Advisors to Chief Counsel
David E. Dickinson
Daniel F. Folzenlogen

Staff Assistant to Chief Counsel
James T. Fuller, III

Division Directors:
Administrative Services
Joseph H. Hairston
Criminal Tax
David E. Gaston
Disclosure
James J. Keightley
General Legal Services
George J. Shaw, Jr.
General Litigation
Harold T. Flanagan
Interpretative
Jerome D. Sebastian
Legislation and Regulations
Robert A. Bley
Refund Litigation
John H. Menzel
Tax Court Litigation
David R. Brennan

Regional and District Officers

Central Region

All Regional Officers at 550 Main Street, Cincinnati, Ohio 45202, unless a different address is indicated

Regional Commissioner
Leon C. Green

Assistant Regional Commissioners:
Accounts, Collection & Taxpayer Service
L. Stanley Baker
Administration
Anthony W. D'Amato
Appellate
Claude C. Rogers, Jr.
Audit
Jack P. Chivatero
Employee Plans/Exempt Organizations
Edwin A. Kelleher
Intelligence
Harold B. Holt

District Directors:
Cincinnati, Ohio 45201
Dwight L. James, Jr.
Cleveland, Ohio 44199
Robert J. Dath
Detroit, Michigan 48226
Roger L. Plate
Indianapolis, Indiana 46204
James W. Caldwell
Louisville, KY 40202
Paul F. Niederecker
Parkersburg, WV 26101
T. Blair Evans

Director, Cincinnati Service Center, Covington, KY 41011
John O. Hummel

Regional Counsel
David E. Mills

Regional Inspector
John E. McManus

Mid-Atlantic Region

All Regional Officers at 2 Penn Center Plaza, Philadelphia, PA 19102, unless a different address is indicated

Regional Commissioner
William D. Waters

Assistant Regional Commissioners:
Accounts, Collection & Taxpayer Service
Leroy C. Gay
Administration
Americo P. Attorri
Appellate
Reuben H. Saideman
Audit
Paul H. Thornton
Employee Plans/Exempt Organizations
James J. Casimir
Intelligence
Robert L. Browne

District Directors:
Baltimore, MD 21201
Gerald G. Portney
Newark, NJ 07102
Cornelius J. Coleman
Philadelphia, PA 19108
James T. Rideoutte
Pittsburgh, PA 15222
Thomas L. Davis
Richmond, VA 23240
James P. Boyle
Wilmington, DE 19801
James E. Quinn

Director, Philadelphia Service Center, Philadelphia, PA 19155
Norman E. Morrill

Regional Counsel
Robert L. Liken

Regional Inspector
Benjamin J. Redmond

Midwest Region

All Regional Officers at One N. Wacker Drive, Chicago, IL 60606, unless a different address is indicated

Regional Commissioner
Edwin P. Trainor

Assistant Regional Commissioners:
Accounts, Collection & Taxpayer Service
Thomas J. Laycock
Administration
David S. Burckman
Appellate
Bernard L. Hardiek
Audit
Leon Moore
Employee Plans/Exempt Organizations
John Edwards
Intelligence
Robert J. Bush

District Directors:
Aberdeen, SD 57401
John B. Langer
Chicago, IL 60604
Charles F. Miriani
Des Moines, IA 50309
Michael J. Murphy
Fargo, ND 58102
Mitchell E. Premis, Jr.
Milwaukee, WI 53202
Lawrence M. Phillips
Omaha, NB 68102
Evevett Loury
Springfield, IL 62704
Ira S. Loeb
St. Louis, MO 63101
Richard C. Voskuil
St. Paul, MN 55101
C. Dudley Switzer

Director, Kansas City Service Center, Kansas City, MO 64170
Roy D. Clark

Regional Counsel
Frank C. Conley
219 S. Dearborn St.,
Chicago, IL 60604

Regional Inspector
John T. Kelly

North-Atlantic Region

All Regional Officers at 90 Church Street, New York, NY 10007, unless a different address is indicated

Regional Commissioner
Philip E. Coates

Assistant Regional Commissioners:
Accounts, Collection & Taxpayer Service
Marshall P. Cappelli
Administration
Harry J. Bodkin
Appellate
Richard E. Fogwell
Audit
Joseph Slipowitz
Employee Plans/Exempt Organizations
Toomer F. Carr
Intelligence
Raymond C. Turner

District Directors:
Albany, NY 12207
Raymond A. Spillman
Augusta, ME 04330
John J. Jennings
Boston, MA 02203
Herbert B. Mosher
Brooklyn, NY 11201
George S. Alberts
Buffalo, NY 14202
William H. Tompkins
Burlington, VT 05401
Peter L. Dillon
Hartford, CT 06115
Pete J. Medina
Manhattan, NY 10008
Charles H. Brennan
Portsmouth, NH 03801
Frank T. Murphy
Providence, RI 02903
John J. O'Brien

Director, Andover, Service Center, Andover, MA 01812
M. Eddie Heironimus

Director, Brookhaven Service Center, Holtsville, NY 11799
Henry P. Seufert

Regional Counsel
Theodore E. Davis
26 Federal Plaza,
New York, NY 10007

Regional Inspector
John T. Gallagher

Southeast Region

All Regional Officers at 275 Peachtree Street, N.E., Atlanta, GA 30303, unless a different address is indicated

Regional Commissioner
Harold A. McGuffin

Assistant Regional Commissioners:
Accounts, Collection & Taxpayer Service
William E. Douglas
Administration
A. Dwight Hawksworth
Appellate
Tully Miller
Audit
Philip J. Sullivan
Employee Plans/Exempt Organizations
Billy M. Hargett
Intelligence
Anthony V. Langone

District Directors:
Atlanta, GA 30303
John W. Henderson
Birmingham, AL 35203
Dwight T. Baptist
Columbia, SC 29201
Harold Bindseil
Greensboro, NC 27401
Robert A. LeBaube
Jackson, MS 39202
William Daniel
Jacksonville, FL 32202
Charles O. DeWitt
Nashville, TN 37203
James A. O'Hara

Director, Atlanta Service Center, Chamblee, GA 30006
William B. Hartlage

Director, Memphis Service Center, Memphis, TN 38110
Claude A. Kyle

Regional Counsel
Jack D. Yarbrough

Regional Inspector
Dale W. Gardner

Southwest Region

All Regional Officers at 7839 Churchill Way, Dallas, Texas 75251, unless a different address is indicated

Regional Commissioner
Walter T. Coppinger

Assistant Regional Commissioners:
Accounts, Collection & Taxpayer Service
Joseph E. Bishop
Administration
Raymond Astumian
Appellate
Douglas M. Moore
Audit
Howard C. Longley
Employee Plans/Exempt Organizations
Percy P. Woodard, Jr.
Intelligence
John M. Rankin, Jr.

District Directors:
Albuquerque, NM 87101
Arturo A. Jacobs
Austin, TX 78701
Robert M. McKeever
Cheyenne, WY 82001
Bobby G. Hughes
Dallas, TX 75202
Alden W. McCanless
Denver, CO 80265
Gerald L. Mihlbachler
Little Rock, AR 72201
Paul D. Williams
New Orleans, LA 70230
Robert M. Cutts
Oklahoma City, OK 73102
Charles A. Parks
Wichita, KS 67202
Maurice E. Johnson

Director, Austin Service Center, Austin, TX 78740
Leonard E. Semrick

Regional Counsel
William B. Riley
1100 Commerce St.,
Dallas, TX 75242

Regional Inspector
Paul F. Kearns

Western Region

All Regional Officers at 525 Market Street, San Francisco, CA 94105 unless a different address is indicated

Regional Commissioner
Thomas A. Cardoza

Assistant Regional Commissioners:
Accounts, Collection & Taxpayer Service
John D. Johnson
Administration
Kenneth G. Rivett
Appellate
James C. Stigamire
Audit
Johnnie Robertson
Employee Plans/Exempt Organizations
Ralph F. Albrecht
Intelligence
Richard C. Wassenaar

District Directors:
Anchorage, AK
Charles E. Roddy
Boise, ID 83724
Philip N. Sansotta
Helena, MT 59601
Frederick C. Nielsen
Honolulu, HI 96850
William M. Wolf
Los Angeles, CA 90012
William H. Connett
Phoenix, AZ 85025
Prescott A. Berry
Portland, OR 97204
Ralph B. Short
Reno, NV 89509
Gerald F. Swanson
Salt Lake City, UT 84111
Roland V. Wise
San Francisco, CA 94102
Francis L. Browitt
Seattle, WA 98174
Michael D. Sassi

Director, Fresno Service Center, Fresno, CA 93888
Fredric F. Perdue

Director, Ogden Service Center, Ogden, UT 84402
Robert H. Terry

Regional Counsel
Emory L. Langdon
Two Embarcadero Center,
San Francisco, CA 94111

Regional Inspector
Billy G. Morrison

Audit Charts and Tables

Table 1.—Audit Staff Years Realized, FY 1977

Revenue Agents	Years Planned[1]	Actual[2]	Percent
United States	**13,780**	**13,733**	**99.7**
North Atlantic	2,740	2,733	99.7
Mid-Atlantic	1,753	1,747	99.7
Southeast	1,587	1,567	98.7
Central	1,477	1,478	100.1
Midwest	2,067	2,057	99.5
Southwest	1,830	1,831	100.1
Western	2,225	2,221	99.8
OIO	101	99	98.0
Tax Auditors			
United States	**4,647**	**4,613**	**99.3**
North Atlantic	688	688	100.0
Mid-Atlantic	516	519	100.6
Southeast	597	586	98.2
Central	451	448	99.3
Midwest	574	560	97.6
Southwest	576	576	100.0
Western	1,178	1,169	99.2
OIO	67	67	100.0
Other (Permanent)[3]			
United States	**6,820**	**6,739**	**98.8**
North Atlantic	1,248	1,238	99.2
Mid-Atlantic	802	793	98.9
Southeast	833	803	96.4
Central	722	716	99.2
Midwest	987	970	98.3
Southwest	855	855	100.0
Western	1,230	1,227	99.8
OIO	143	137	95.8

[1] Operating Financial Plan
[2] Report of Average Positions Realized and Cost Incurred. (Includes Regional Analysts).
[3] Other includes ARC Audit, Executive Assistant, Chief of Audit and Clerks.
Note: OIO refers to Office of International Operations.

Table 2.—Returns Filed, Examinations and Audit Coverage

	Returns Filed CY 1976	Returns Examined in FY 1977: Revenue Agents	Tax Auditors	Total	Percent Coverage
Individual, Total	**82,537,199**	**288,810**	**1,453,246**	**1,742,056**	**2.11**
Form 1040—Standard	28,459,841	6,869	186,697	193,566	.68
NB under $10,000—Itemized	12,236,251	21,056	400,656	421,712	3.45
Total	40,696,092	27,925	587,353	615,278	1.51
NB $10,000 Under $50,000	31,166,880	65,093	683,029	748,122	2.40
NB $50,000 and over	642,020	47,034	25,807	72,841	11.35
B Under $10,000	4,467,807	43,451	95,805	139,256	3.12
B $10,000 under $30,000	4,588,019	48,290	46,454	94,744	2.07
B $30,000 and over	976,381	57,017	14,798	71,815	7.36
Fiduciary	**1,621,163**	**10,740**	**141**	**10,881**	**.67**
Corporation, Total	**1,769,334**	**167,450**	**239**	**167,689**	**9.48**
Assets not reported	119,387	6,781	69	6,850	5.74
Under $100,000	909,855	33,735	106	33,841	3.72
$100,000 under $1 Mil	606,138	71,745	48	71,793	11.84
$1 Mil Under $10 Mil	109,180	42,089	12	42,101	38.56
$10 Mil Under $100 Mil	20,979	10,244	3	10,247	48.84
$100 Mil and over	3,795	2,856	1	2,857	75.28
Estate, Total	**253,505**	**35,267**	**7,053**	**42,320**	**16.69**
Gross Estate Under $300,000	220,547	18,133	6,364	24,497	11.11
Gross Estate $300,000 and over	32,958	17,134	689	17,823	54.08
Gift	**322,115**	**9,300**	**2,184**	**11,484**	**3.57**
Income, Estate and Gift, Total	86,503,316	511,567	1,462,863	1,974,430	2.28[1]
Service Center Examination—Inc. Est. & Gift	—	—	—	150,730	17[1]
Income, Estate and Gift, Grand Total	—	511,567	1,462,863	2,125,160	2.46[1]
Excise	**905,162**	**71,026**	**13,905**	**84,931**	**9.38**
Employment	**24,840,718**	**94,599**	**40,420**	**135,019**	**.54**
Service Center Disposals:					
Total	—	—	—	913,460	—
Examinations	—	—	—	150,730	—
Corrections	—	—	—	762,730	—
Form 1065 (MEMO)	**1,134,770**	**13,604**	**448**	**14,052**	**1.24**
Form 1120S (MEMO)	**398,793**	**8,896**	**40**	**8,936**	**2.24**
Form 1120 Disc (MEMO)	**3,613**	**1,111**	**—**	**1,111**	**30.75**

[1] Does not add due to rounding.

Table 3.—Accomplishments vs Plan, FY 1977 Revenue Agents

Tax Class	Desys[1] Plan	Desys[1] Actual	Returns Plan	Returns Actual	Percent of Plan Desys	Percent of Plan Returns
Individual Total	**2,681**	**2,646**	**295,600**	**288,810**	**99**	**98**
Form 1040—Standard	—	36	—	6,869	—	—
NB under $10,000—Itemized	150	135	21,543	21,056	90	98
NB $10,000 under $50,000	387	403	61,194	65,093	104	106
NB $50,000 and over	405	412	45,281	47,034	102	104
B under $10,000	459	450	44,306	43,451	98	98
B $10,000 under $30,000	557	527	56,827	48,290	95	85
B $30,000 and over	724	683	66,449	57,017	94	86
Fiduciary	**79**	**72**	**13,488**	**10,740**	**91**	**80**
Corporation Total	**3,613**	**3,663**	**165,289**	**167,450**	**101**	**101**
No Balance Sheet	**67**	**39**	**4,785**	**6,781**	**58**	**142**
Under $100,000	**377**	**345**	**38,629**	**33,735**	**92**	**87**
$100,000 Under $1 Mil	**795**	**809**	**70,603**	**71,745**	**102**	**102**
$1 Mil under $10 Mil	**792**	**806**	**39,139**	**42,089**	**102**	**108**
$10 Mil under $100 Mil	**476**	**575**	**9,119**	**10,244**	**121**	**112**
$100 Mil and over	**1,106**	**1,089**	**3,014**	**2,856**	**98**	**95**
Estate	**511**	**518**	**33,412**	**35,267**	**101**	**106**
Gift	**41**	**46**	**7,620**	**9,300**	**113**	**122**
Income, Estate & Gift Total	**6,925**	**6,945**	**515,409**	**511,567**	**100**	**99**
Excise	**171**	**170**	**67,947**	**71,026**	**100**	**105**
Employment	**262**	**250**	**94,594**	**94,599**	**95**	**100**
Special Enforcement Program	**289**	**175**	**—**	**—**	**61**	**—**

[1] Direct examination staff-years.

Table 4.—Accomplishments vs Plan, FY 1977 Tax Auditors

Tax Class	Desys[1] Plan	Desys[1] Actual	Returns Plan	Returns Actual	Percent of Plan Desys	Percent of Plan Returns
Individual total	**2,404**	**2,441**	**1,431,485**	**1,453,246**	**102**	**102**
Form 1040—Standard	160	177	179,699	186,697	111	104
NB under $10,000—Itemized	516	470	413,730	400,656	91	97
NB $10,000 under $50,000	978	1,067	639,990	683,029	109	107
NB $50,000 and over	56	60	27,555	25,807	108	94
B under $10,000	472	434	106,507	95,805	92	90
B $10,000 under $30,000	164	174	47,952	46,454	106	97
B $30,000 and over	57	58	16,052	14,798	102	92
Estate	**35**	**31**	**7,352**	**7,053**	**88**	**96**
Gift	**9**	**7**	**2,615**	**2,184**	**78**	**84**
Other	**—**	**2**	**—**	**380**	**—**	**—**
Income, estate, gift, total	**2,448**	**2,481**	**1,441,452**	**1,462,863**	**101**	**101**
Excise	**18**	**19**	**10,057**	**13,905**	**106**	**138**
Employment	**52**	**46**	**44,256**	**40,420**	**88**	**91**

[1] Direct examination staff-years.

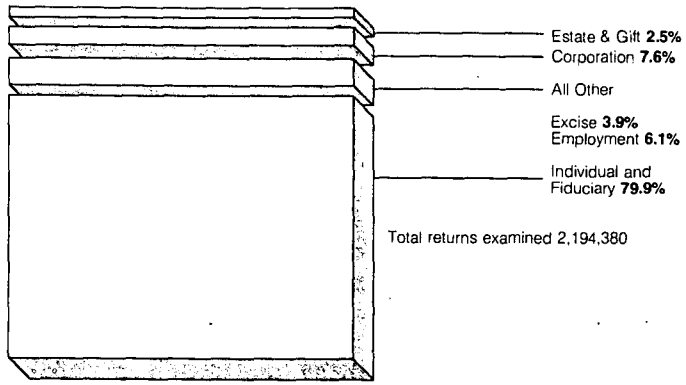
Table 5.—Audit Attrition—Revenue Agents and Tax Auditors, FYs 1976-1977

Region	FY 1977	FY 1976
Revenue Agents		
United States	**1,134**	**956**
North Atlantic	174	140
Mid-Atlantic	125	119
Southeast	147	134
Central	122	120
Midwest	180	155
Southwest	182	144
Western	197	137
OIO	7	7
Tax Auditors		
United States	**540**	**487**
North Atlantic	57	51
Mid-Atlantic	50	64
Southeast	60	73
Central	44	43
Midwest	75	61
Southwest	72	55
Western	175	136
OIO	7	4

Table 6.—Revenue Agents and Tax Auditors (District Audit Divisions)

Percent of Returns Examined By Type of Tax

FY 1977



Percent of Time Spent on Examinations By Type of Tax

FY 1977

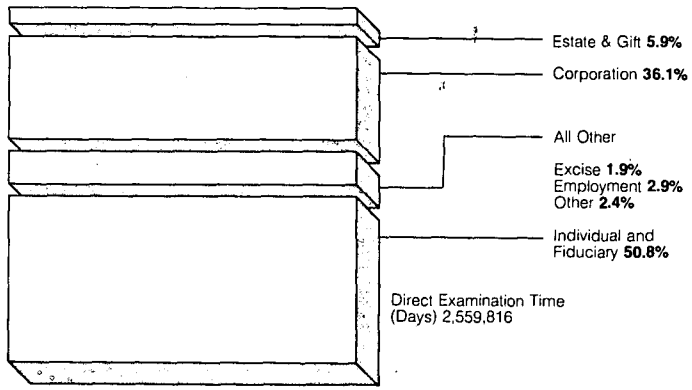


Table 6.—Revenue Agents and Tax Auditors—Continued

Percent of Dollar Recommendations (Millions)
By Type of Tax

FY 1977

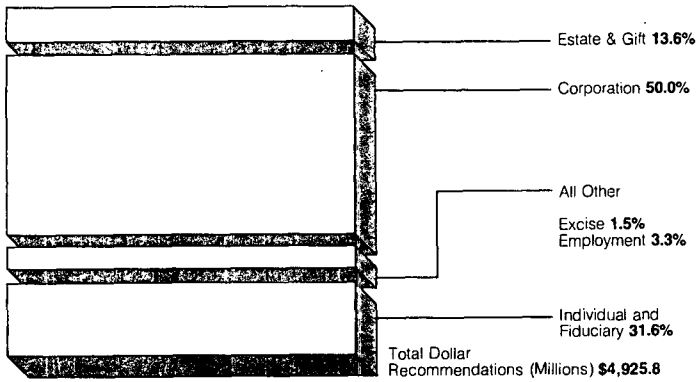


Table 7.—Large Deficiencies Recommended ($100,000 & Over)
Returns and Dollars, FYs 1976-1977

Region	FY 1977	FY 1976
Returns		
United States	**[1] 5,788**	**[1] 5,118**
North Atlantic	1,065	1,120
Mid-Atlantic	719	642
Southeast	798	757
Central	654	583
Midwest	896	786
Southwest	651	716
Western	917	656
OIO	88	73
Dollar Recommendations (Millions)		
United States	**$2,889.1**	**$2,894.3**
North Atlantic	612.4	801.9
Mid-Atlantic	412.1	367.0
Southeast	340.9	298.7
Central	257.4	299.0
Midwest	480.2	398.8
Southwest	305.6	349.2
Western	454.6	349.0
OIO	25.9	31.0

[1]Region totals do not add to U.S. Total because of special reporting procedures for large cases.

Table 8.—Large Deficiencies ($100,000 and over)
Percent of Relationship to Total Tax (District Audit Divisions)

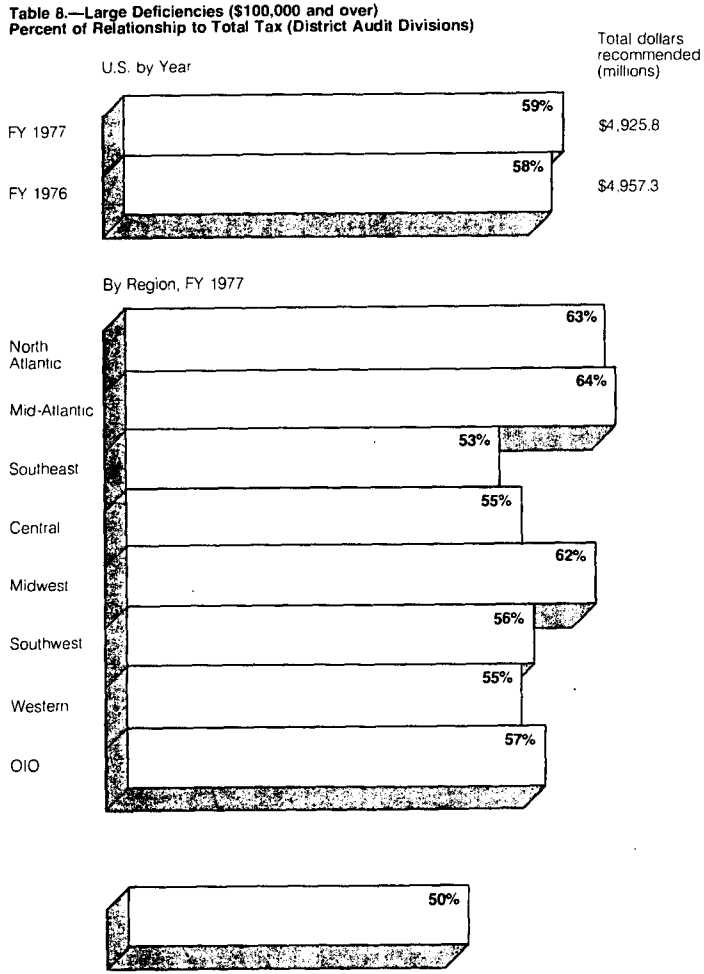


Table 9.—Individual Returns—Accomplishments in Relation to Plan
FY 1977
Revenue Agents

Region	Planned	Actual	Percent
Direct Examination Time (Days)			
United States	**675,624**	**666,762**	**99**
North Atlantic	110,481	100,588	91
Mid-Atlantic	75,439	74,698	99
Southeast	83,845	86,248	103
Central	76,808	68,198	89
Midwest	93,558	97,954	105
Southwest	93,973	101,322	108
Western	137,997	132,956	96
OIO	3,523	4,802	136
Returns Examined			
United States	**295,600**	**288,810**	**98**
North Atlantic	43,445	44,098	102
Mid-Atlantic	33,465	32,645	98
Southeast	35,333	39,606	112
Central	33,061	30,026	91
Midwest	39,799	42,513	107
Southwest	40,061	38,524	96
Western	69,248	59,716	86
OIO	1,188	1,682	142

Table 10.—Revenue Agents Accomplishments-Individual Returns (District Audit Divisions)

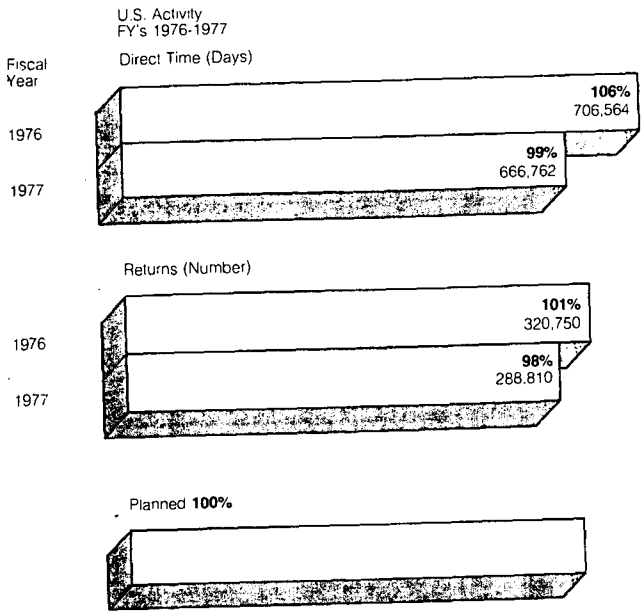


Table 11.—Accomplishments in Relation to Plan-Fiduciary Returns—FY 1977 Revenue Agents

Region	Planned	Actual	Percent
Direct Examination Time (Days)			
United States	**19,862**	**18,255**	**92**
North Atlantic	3,354	4,024	120
Mid-Atlantic	3,315	2,483	75
Southeast	2,602	2,131	82
Central	2,075	2,193	106
Midwest	3,518	3,326	95
Southwest	1,973	1,464	74
Western	3,007	2,618	87
OIO	18	17	94
Returns Examined			
United States	**13,488**	**10,740**	**80**
North Atlantic	2,441	1,955	80
Mid-Atlantic	2,249	1,608	71
Southeast	1,414	1,421	100
Central	1,497	1,156	77
Midwest	2,448	1,986	81
Southwest	1,277	1,001	78
Western	2,157	1,609	75
OIO	5	4	80

Table 12.—Examination Time, Returns and Dollars—Individual FYs 1976-1977
Revenue Agents

Region	FY 1977	FY 1976
Direct Examination Time Days		
United States	**666,762**	**706,564**
North Atlantic	100,588	106,393
Mid-Atlantic	74,698	77,292
Southeast	86,248	93,367
Central	68,198	85,210
Midwest	97,954	88,586
Southwest	101,322	98,549
Western	132,956	152,795
OIO	4,802	4,380
Returns Examined		
United States	**288,810**	**320,750**
North Atlantic	44,098	50,124
Mid-Atlantic	32,645	36,046
Southeast	39,606	45,640
Central	30,026	37,557
Midwest	42,513	37,406
Southwest	38,524	38,216
Western	59,716	74,017
OIO	1,682	1,744
Dollar Recommendations (Millions)		
United States	**$1,066.3**	**$953.3**
North Atlantic	179.6	189.4
Mid-Atlantic	148.5	116.4
Southeast	142.5	160.3
Central	117.7	91.5
Midwest	141.9	106.3
Southwest	138.0	114.5
Western	187.5	160.0
OIO	10.6	15.0

Note: Dollars may not add due to rounding.

Table 13.—Revenue Agents
(Staff Hours Per Return)
(Individual returns by class and region FYs 1976-1977)

	Fiscal Year	
Class	**1977**	**1976**
Total	**18.6**	**17.5**
Form 1040 Standard	15.9	11.6
Nonbusiness, under $10,000—Itemized	19.2	17.1
Nonbusiness, $10,000 under $50,000	13.3	12.6
Nonbusiness, $50,000 and over	15.2	15.6
Business, under $10,000	22.2	20.9
Business, $10,000 under $30,000	21.0	19.6
Business, $30,000 and over	22.8	21.8
Region		
United States	**18.6**	**17.6**
North Atlantic	19.5	19.4
Mid-Atlantic	18.0	17.5
Southeast	18.0	16.9
Central	19.3	16.5
Midwest	18.0	19.8
Southwest	20.1	20.5
Western	17.8	14.6
OIO	18.2	22.4

Table 14.—Revenue Agents (Dollar Recommendations Per Return) Individual Returns by Class and Region FYs 1976-1977

	Fiscal Year	
	1977	1976
Class		
Total	**$3,692**	**$2,972**
Form 1040 Standard	3,398	1,251
Nonbusiness, under $10,000—Itemized	4,510	2,619
Nonbusiness, $10,000 under $50,000	2,454	1,844
Nonbusiness, $50,000 and over	6,085	5,037
Business, under $10,000	2,191	1,810
Business, $10,000 under $30,000	1,759	1,790
Business, $30,000 and over	5,647	5,025
Region		
United States	**$3,692**	**$2,972**
North Atlantic	4,074	3,778
Mid-Atlantic	4,548	3,228
Southeast	3,598	3,512
Central	3,920	2,435
Midwest	3,338	2,842
Southwest	3,583	2,996
Western	3,139	2,162
OIO	6,308	8,585

Table 15.—No Change Percent—Individual Return and Time—by Class and Region—FYs 1976-1977 Revenue Agents

	Percent No Change			
	Returns		Time	
	FY 1977	FY 1976	FY 1977	FY 1976
Class				
Total	**13**	**14**	**10**	**11**
Form 1040 Standard	14	17	10	11
NB under $10,000—Itemized	13	15	11	11
NB $10,000 under $50,000	10	12	9	10
NB $50,000 and over	11	12	9	10
Bus. under $10,000	16	16	12	12
Bus. $10,000 under $30,000	15	14	11	11
Bus. $30,000 and over	15	16	11	12
Region				
United States	**13**	**14**	**10**	**11**
North Atlantic	10	11	10	9
Mid-Atlantic	16	17	13	15
Southeast	13	15	10	10
Central	14	16	11	13
Midwest	14	13	11	10
Southwest	13	14	10	10
Western	12	14	10	11
OIO	13	20	11	15

Table 16.—Accomplishments in Relation to Plan—Individual Returns—FY 1977
Tax Auditors

Region	Planned	Actual	Percent
Direct Examination Time (Days)			
United States	**605,792**	**615,148**	**102**
North Atlantic	87,714	91,958	105
Mid-Atlantic	66,829	69,106	103
Southeast	83,977	88,716	106
Central	56,166	59,715	106
Midwest	72,507	76,521	106
Southwest	76,215	74,477	98
Western	154,353	146,191	95
OIO	8,031	8,470	106
Returns Examined			
United States	**1,431,485**	**1,453,246**	**102**
North Atlantic	220,626	235,521	107
Mid-Atlantic	162,408	170,206	105
Southeast	197,160	201,853	102
Central	129,232	134,503	104
Midwest	162,383	177,895	110
Southwest	163,461	150,137	92
Western	378,274	363,629	96
OIO	17,941	19,502	109

Table 17.—Tax Auditors Accomplishments-Individual Returns
(District Audit Divisions)

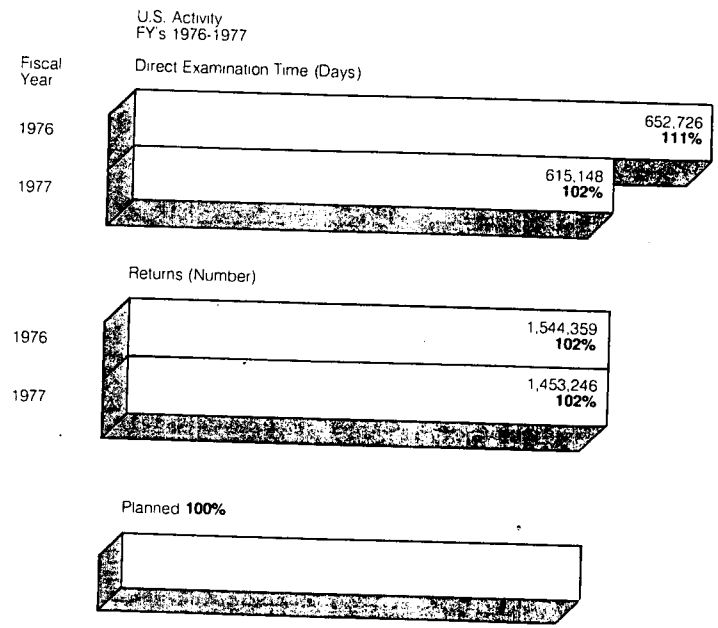


Table 18.—Examination Time, Returns and Dollars—Individual FYs 1976-1977
Tax Auditors

Region	FY 1977	FY 1976
Direct Examination Time (Days)		
United States	**615,148**	**652,726**
North Atlantic	91,958	103,503
Mid-Atlantic	69,106	79,450
Southeast	88,716	105,698
Central	59,715	63,399
Midwest	76,521	75,403
Southwest	74,477	66,132
Western	146,191	150,516
OIO	8,470	8,638
Returns Examined		
United States	**1,453,246**	**1,544,359**
North Atlantic	235,521	265,189
Mid-Atlantic	170,206	204,301
Southeast	201,853	248,827
Central	134,503	146,290
Midwest	177,895	150,584
Southwest	150,137	148,538
Western	363,629	361,650
OIO	19,502	18,980
Dollar Recommendations (Millions)		
United States	**$441.0**	**$383.1**
North Atlantic	76.2	69.3
Mid-Atlantic	49.8	48.0
Southeast	63.9	66.5
Central	36.8	34.4
Midwest	49.8	37.7
Southwest	42.5	37.1
Western	112.0	82.5
OIO	10.0	7.5

Note: Dollars may not add due to rounding.

Table 19.—Tax Auditors (Staff Hours per Return)
Individual Returns by Class and Region FYs 1976-1977

	Fiscal Year	
	1977	1976
Class		
Total	**3.2**	**3.0**
Form 1040 Standard	1.8	1.7
Nonbusiness, under $10,000—Itemized	2.5	2.4
Nonbusiness, $10,000 under $50,000	3.0	2.8
Nonbusiness, $50,000 and over	3.6	3.6
Business, under $10,000	8.1	8.0
Business, $10,000 under $30,000	6.8	6.4
Business, $30,000 and over	6.3	6.5
Region		
United States	**3.2**	**3.0**
North Atlantic	2.9	2.7
Mid-Atlantic	3.0	2.7
Southeast	3.4	3.1
Central	3.4	3.1
Midwest	3.2	3.4
Southwest	3.5	3.4
Western	3.1	2.8
OIO	2.4	2.6

Table 20.—Tax Auditors (Dollar Recommendations per Return) Individual Returns by Class and Region FYs 1976-1977

	Fiscal Year	
	1977	1976
Class		
Total	**$303**	**$248**
Form 1040 Standard	181	144
Nonbusiness, under $10,000—Itemized	209	183
Nonbusiness, $10,000 under $50,000	300	253
Nonbusiness, $50,000 and over	668	726
Business, under $10,000	645	570
Business, $10,000 under $30,000	575	501
Business, $30,000 and over	876	840
Region		
United States	**$303**	**$248**
North Atlantic	323	261
Mid-Atlantic	293	235
Southeast	317	267
Central	273	235
Midwest	280	250
Southwest	283	250
Western	308	228
OIO	512	397

Table 21.—No Change Percent—Individual Returns and Time by Class and Region, FY 1976-1977 Tax Auditors

	Percent No Change			
	Returns		Time	
	FY 1977	FY 1976	FY 1977	FY 1976
Class				
Total	**26**	**24**	**19**	**17**
Form 1040—Standard	33	33	29	29
NB Under $10,000—Itemized	27	21	22	16
NB $10,000 Under $50,000	23	23	17	16
NB $50,000 and Over	41	37	28	25
Business Under $10,000	24	18	19	15
Business $10,000 Under $30,000	20	14	15	11
Business $30,000 and Over	29	22	21	17
Region				
United States	**26**	**24**	**19**	**17**
North Atlantic	26	26	21	20
Mid-Atlantic	26	28	20	21
Southeast	27	21	19	14
Central	28	24	21	17
Midwest	28	20	20	14
Southwest	29	25	21	16
Western	22	21	17	15
OIO	23	25	17	18

Table 22.—Corporation Returns—Accomplishments In Relation To Plan FY 1977 Revenue Agents

Region	Planned	Actual	Percent
Direct Examination Time (Days)			
United States	**910,438**	**923,093**	**101**
North Atlantic	225,055	220,963	98
Mid-Atlantic	130,504	131,714	101
Southeast	90,084	89,785	100
Central	105,373	109,391	104
Midwest	134,975	140,751	104
Southwest	96,839	95,902	99
Western	119,335	126,911	106
OIO	8,273	7,679	93
Returns Examined			
United States	**165,289**	**167,450**	**101**
North Atlantic	33,438	36,454	109
Mid-Atlantic	24,061	24,594	102
Southeast	19,026	20,065	105
Central	23,173	21,003	91
Midwest	23,160	25,075	108
Southwest	16,672	16,666	100
Western	25,137	22,911	91
OIO	622	682	110

Table 23.—Revenue Agent Audits of Corporations (Staff Hours Per Return) Corporation Returns by Class Group and Region FYs 1976-1977

	Fiscal Year	
	1977	**1976**
Class		
Total	**39.6**	**38.5**
No balance sheet	28.7	27.0
Under $100,000	20.2	20.6
$100,000 under $1 Mil	23.3	22.9
$1 Mil under $10 Mil	40.6	39.5
$10 Mil under $100 Mil	99.5	97.7
$100 Mil and over	470.9	462.4
Region		
United States	**39.6**	**38.5**
North Atlantic	43.8	45.2
Mid-Atlantic	36.9	34.0
Southeast	39.5	30.8
Central	35.5	36.4
Midwest	39.6	46.5
Southwest	38.9	39.5
Western	39.0	33.8
OIO	73.2	52.9

Table 24.—Revenue Agent Audits of Corporations (Dollar Recommendations Per Return) Corporation Returns by Class Group and Region FYs 1976-1977

	Fiscal Year	
	1977	1976
Class		
Total	**$ 14,664**	**$ 16,916**
No balance sheet	16,256	7,631
Under $100,000	1,442	1,446
$100,000 under $1 Mil	2,925	2,933
$1 Mil under $10 Mil	9,856	10,337
$10 Mil under $100 Mil	42,123	39,104
$100 Mil and over	434,320	577,922
Region		
United States	**$ 14,664**	**$ 16,916**
North Atlantic	15,793	22,322
Mid-Atlantic	13,666	13,689
Southeast	16,063	10,395
Central	10,307	15,757
Midwest	16,983	18,048
Southwest	12,272	18,893
Western	15,587	16,316
OIO	25,487	22,921

Table 25.—Examination Time, Returns and Dollars—Corporation—FYs 1976-1977 Revenue Agents

Region	FY 1977	FY1976
Direct Examination Time (Days)		
United States	**923,093**	**924,494**
North Atlantic	220,963	226,975
Mid-Atlantic	131,714	131,464
Southeast	89,785	93,502
Central	109,391	101,761
Midwest	140,751	136,788
Southwest	95,902	114,588
Western	126,911	124,725
OIO	7,679	6,786
Returns Examined		
United States	**167,450**	**160,628**
North Atlantic	36,454	35,617
Mid-Atlantic	24,594	24,516
Southeast	20,065	20,911
Central	21,003	20,595
Midwest	25,075	19,860
Southwest	16,666	16,545
Western	22,911	21,808
OIO	682	776
Dollar Recommendations (Millions)		
United States	**$2,455.5**	**$2,717.1**
North Atlantic	575.7	795.0
Mid-Atlantic	336.1	335.6
Southeast	322.3	217.4
Central	216.5	324.5
Midwest	425.9	358.4
Southwest	204.5	312.6
Western	357.1	355.8
OIO	17.4	17.8

Note: Dollars may not add due to rounding.

Table 26.—No Change Percent—Corporation—Returns and Time—By Class Group and Region—FYs 1976-1977
Revenue Agents

	Percent No Change			
	Returns		Time	
	1977	1976	1977	1976
Class				
Total	**25**	**26**	**15**	**15**
No Balance Sheet	21	31	14	21
Under $100,000	33	32	28	27
$100,000 Under $1 Mil	26	23	23	21
$1 Mil Under $10 Mil	22	23	16	18
$10 Mil Under $100 Mil	15	15	8	6
$100 Mil and Over	7	6	2	1
Region				
United States	**25**	**26**	**15**	**15**
North Atlantic	24	26	15	14
Mid-Atlantic	28	30	17	19
Southeast	23	26	14	17
Central	29	27	17	15
Midwest	24	22	14	12
Southwest	26	28	16	16
Western	24	23	14	15
OIO	19	39	14	30

Table 27.—Estate Tax Returns

	Revenue Agents		Tax Auditors	
	FY 1977	FY 1976	FY 1977	FY 1976
Total Examinations	35,267	38,425	7,053	8,258
Total Direct Examination Time (Days)	130,462	146,263	7,701	9,752
Total Dollar Recommendations (Mils)	$586.8	$536.6	$10.6	$12.1
Staffhours per Return	31.2	29.7	9.4	8.9
Dollar Recommendation per Return	$16,639	$13,964	$1,496	$1,468
No Change Percentage	13	13	19	20

Table 28.—Gift Tax Returns

	Revenue Agents		Tax Auditors	
	FY 1977	FY 1976	FY 1977	FY 1976
Total Examinations	9,300	9,919	2,184	2,588
Total Direct Examination Time (Days)	11,701	13,961	1,835	2,034
Total Dollar Recommendations (Mils)	$70.5	$66.6	$2.0	$2.9
Staffhours per Return	11.6	10.4	6.6	6.0
Dollar Recommendation per Return	$7,580	$6,714	$903	$1,184
No Change Percentage	23	25	30	30

Table 29.—Excise Tax Returns

	Revenue Agents		Tax Auditors	
	FY 1977	FY 1976	FY 1977	FY 1976
Total Examinations	71,026	77,105	13,905	12,189
Total Direct Examination Time (Days)	42,930	46,778	4,788	4,949
Total Dollar Recommendations (Mils)	$71.2	$80.6	$2.0	$2.5
Staffhours per Return	4.3	4.3	1.6	1.7
Dollar Recommendation per Return	$1,003	$1,045	$141	$202
No Change Percentage	27	28	13	17

Table 30.—Employment Tax Returns

	Revenue Agents		Tax Auditors	
	FY 1977	FY 1976	FY 1977	FY 1976
Total Examinations	94,599	90,435	40,420	40,132
Total Direct Examination Time (Days)	63,041	63,557	11,485	10,338
Total Dollar Recommendations (Mils)	$145.8	$144.1	$16.6	$17.3
Staffhours per Return	4.7	4.7	1.6	1.6
Dollar Recommendation per Return	$1,541	$1,593	$411	$432
No Change Percentage	15	13	9	6

Table 31.—Fiduciary Tax Returns

	Revenue Agents		Tax Auditors	
	FY 1977	FY 1976	FY 1977	FY 1976
Total Examinations	10,740	17,078	141	100
Total Direct Examination Time (Days)	18,255	31,240	21	49
Total Dollar Recommendations (Mils)	$47.4	$35.5	[1]	[1]
Staffhours per Return	14.3	14.8	5.6	4.4
Dollar Recommendations per Return	$4,413	$2,081	$392	$851
No Change Percentage	40	50	30	28

[1]Less than $100,000

Statistical Tables

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas (In thousands of dollars)

Internal revenue regions, districts, States and other areas[1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Total internal revenue collections (1)	Individual income and employment taxes: Corporation income tax[2] (2)	Total (3)	Income tax not withheld and SECA[3,4,5] (4)	Income tax withheld and FICA[3,4,5] (5)	Railroad retirement (6)	Unemployment Insurance[7] (7)
United States, total		358,139,417	60,049,804	272,831,580	46,083,249	222,929,226	1,908,803	1,910,302
North-Atlantic Region		57,904,358	11,042,538	43,910,559	5,979,471	37,553,154	68,851	309,083
Albany	(See (c) below)	2,095,009	149,484	1,889,842	237,402	1,642,946	1,984	7,510
Augusta[8]	(Maine)	897,773	101,430	755,639	153,261	589,481	8,061	5,036
Boston	(Massachusetts)	8,701,712	1,252,760	6,950,413	1,007,453	5,885,331	10,993	46,636
Brooklyn	(See (c) below)	5,631,699	541,547	4,733,397	1,084,200	3,593,944	24,579	30,673
Buffalo	(See (c) below)	5,193,121	979,470	3,910,861	579,666	3,303,115	360	27,721
Burlington	(Vermont)	378,216	32,570	333,034	74,841	254,336	598	3,257
Hartford[8]	(Connecticut)	9,909,446	1,678,317	7,308,049	852,937	6,376,836	15,171	61,104
Manhattan	(See (c) below)	22,987,439	5,830,857	16,287,253	1,693,218	14,472,988	6,648	114,399
Portsmouth	(New Hampshire)	878,959	106,863	719,272	147,853	566,640	13	4,756
Providence	(Rhode Island)	1,230,984	169,241	1,022,600	148,630	865,534	445	7,990
Mid-Atlantic Region		62,179,862	13,189,264	44,580,905	5,826,928	37,768,165	720,739	265,075
Baltimore[8]	(Maryland & D.C.)	10,548,530	1,549,878	8,108,800	1,099,944	6,831,075	133,865	43,915
Newark[8]	(New Jersey)	26,783,254	8,566,185	16,995,961	1,542,606	15,150,408	200,018	102,929
Philadelphia	(See (e) below)	10,870,973	1,207,001	8,980,876	1,373,593	7,279,971	276,586	50,726
Pittsburgh	(See (e) below)	6,635,645	948,398	5,133,288	763,507	4,289,160	26,828	33,792
Richmond	(Virginia)	5,781,620	616,565	4,207,762	886,095	3,211,783	83,439	26,444
Wilmington	(Delaware)	1,553,639	301,238	1,154,220	141,183	1,005,767	1	7,269
Southeast Region		39,731,400	5,355,747	30,696,384	5,770,887	24,575,177	159,836	190,484
Atlanta	(Georgia)	5,118,221	725,989	4,002,690	722,346	3,246,453	3,694	30,187
Birmingham	(Alabama)	2,999,670	335,270	2,504,146	530,690	1,953,481	1,674	18,300
Columbia	(South Carolina)	2,179,816	281,869	1,818,358	359,526	1,444,492	251	14,058
Greensboro	(North Carolina)	7,159,442	1,248,570	4,457,365	804,439	3,615,456	394	37,076
Jackson	(Mississippi)	1,337,497	161,372	1,115,105	328,679	777,016	866	8,544
Jacksonville[8]	(Florida)	11,024,427	1,329,553	8,921,990	2,240,011	6,553,571	78,414	49,994
Nashville[8]	(Tennessee)	9,912,327	1,276,123	7,876,730	785,195	6,984,698	74,512	32,325
Central Region		45,254,639	6,991,411	35,063,511	5,526,357	29,190,041	114,547	234,566
Cincinnati[8]	(See (d) below)	8,368,963	1,420,631	6,476,474	847,273	5,565,947	18,913	44,341
Cleveland	(See (d) below)	11,439,537	1,556,806	9,046,585	1,182,520	7,796,051	8,510	59,504
Detroit	(Michigan)	14,642,479	2,614,899	10,994,089	1,493,335	9,392,203	25,878	82,673
Indianapolis	(Indiana)	6,181,787	714,303	4,931,977	1,097,632	3,806,647	1,027	26,671
Louisville	(Kentucky)	4,179,960	487,494	2,425,984	609,320	1,741,444	60,103	15,117
Parkersburg	(West Virginia)	1,441,913	197,278	1,190,401	296,276	887,750	116	6,260
Midwest Region		63,075,807	11,082,654	48,521,299	7,181,917	40,412,058	658,243	269,082
Aberdeen	(South Dakota)	542,707	45,849	464,100	151,345	310,456	3	2,297
Chicago[8]	(See (b) below)	30,403,791	5,972,534	23,068,438	2,198,984	20,501,824	249,581	118,050
Des Moines	(Iowa)	3,310,983	514,262	2,617,746	840,437	1,762,878	849	13,583
Fargo	(North Dakota)	624,965	54,802	538,013	200,469	334,992	5	2,547
Milwaukee	(Wisconsin)	6,462,220	1,234,458	4,775,641	750,085	3,987,856	1,330	36,370
Omaha	(Nebraska)	2,141,631	306,204	1,676,063	413,594	1,163,996	89,242	9,249
St. Louis	(Missouri)	8,150,364	1,296,087	6,270,141	990,913	5,102,865	136,007	40,357
St. Paul	(Minnesota)	7,273,307	1,067,707	5,911,030	756,378	4,946,503	177,035	31,113
Springfield	(See (b) below)	4,165,818	588,751	3,200,107	879,712	2,300,687	4,190	15,518
Southwest Region		38,942,145	6,862,532	28,957,443	7,026,664	21,633,634	116,643	180,501
Albuquerque	(New Mexico)	848,167	63,715	739,533	184,557	550,032	33	4,911
Austin[8]	(See (f) below)	14,122,637	2,590,438	10,171,630	1,975,288	8,111,578	25,655	59,108
Cheyenne	(Wyoming)	442,647	46,050	347,773	122,532	223,118	83	2,039
Dallas	(See (f) below)	8,261,658	1,544,608	6,147,022	1,751,119	4,343,035	12,325	40,542
Denver	(Colorado)	3,357,130	377,147	2,682,879	579,166	2,071,085	16,841	15,785
Little Rock	(Arkansas)	1,515,305	207,095	1,247,782	389,800	848,029	1,118	8,836
New Orleans	(Louisiana)	3,958,403	703,493	3,075,277	769,483	2,284,629	1,923	19,242
Oklahoma City	(Oklahoma)	3,907,206	996,176	2,466,714	638,537	1,827,817	196	20,164
Wichita	(Kansas)	2,558,992	333,810	2,058,834	616,181	1,374,311	58,468	9,874
Western Region		56,063,904	8,071,050	44,514,174	8,007,839	36,046,405	163,565	296,365
Anchorage	(Alaska)	803,449	52,599	735,291	97,520	638,436	—	664
Boise	(Idaho)	965,811	139,939	798,654	169,399	623,207	903	5,145
Helena	(Montana)	638,703	50,263	558,717	183,661	371,280	504	3,272
Honolulu	(Hawaii)	1,106,687	134,840	930,670	165,336	757,236	2	8,096
Los Angeles	(See (a) below)	19,774,068	3,109,747	15,582,503	2,992,435	12,477,932	539	111,597
Phoenix	(Arizona)	2,050,697	180,700	1,787,471	412,121	1,363,948	378	11,024
Portland	(Oregon)	5,363,850	1,101,133	3,883,445	552,471	3,281,259	26,293	23,421
Reno	(Nevada)	932,833	106,096	783,966	168,153	610,158	2	5,653
Salt Lake City	(Utah)	1,159,774	162,172	959,618	178,357	773,023	1,518	6,720
San Francisco[8]	(See (a) below)	18,222,975	2,425,674	14,373,937	2,200,754	11,951,609	133,753	87,822
Seattle	(Washington)	5,065,257	607,888	4,119,901	887,632	3,198,317	-327	34,279
Office of International Operations[9]		1,255,260	43,236	1,028,840	268,536	756,485	1,037	2,781
Puerto Rico		307,286	3,267	139,955	18,674	118,604	—	2,675
Other		947,974	39,969	888,885	249,861	637,881	1,037	105
Undistributed:								
Federal tax deposits[10]		-7,748,870	-2,628,429	-4,841,822	—	-4,909,529	-94,658	162,365
Gasoline, lubricating oil, and excess FICA credits[11]		531,450	36,800	494,649	494,649	—	—	—
Transferred to Government of Guam		-19,690	—	-19,690	—	-19,690	—	—
Withheld taxes of Federal employees		-121,096	—	-121,096	—	-121,096	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy		26	—	—	—	—	—	—
Presidential Election Fund[12]		36,529	—	36,529	—	36,529	—	—
Adjustment to Presidential Election Fund[29]		111	—	111	—	111	—	—
Earned Income Credits[13]		7,782	—	7,782	—	7,782	—	—
Totals for States not shown above								
	(a) California	37,997,043	5,535,421	29,956,440	5,193,188	24,429,541	134,291	199,419
	(b) Illinois	34,569,609	6,561,285	26,268,545	3,078,696	22,802,511	253,771	133,568
	(c) New York	35,907,268	7,501,359	26,821,353	3,594,486	23,012,993	33,570	180,304
	(d) Ohio	19,808,501	2,977,437	15,523,059	2,029,794	13,361,898	27,423	103,845
	(e) Pennsylvania	17,506,618	2,155,399	14,114,164	2,157,100	11,569,131	303,415	84,518
	(f) Texas	22,384,295	4,135,046	16,318,652	3,726,408	12,454,614	37,980	99,650

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas—Continued (In thousands of dollars)

Internal revenue regions, districts, States and other areas[1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Estate tax (8)	Gift tax (9)	Excise taxes total (sum of columns 11, 26, 30, 36, 41, and 54) (10)	Total (sum of columns 12, 18 and 22) (11)	Alcohol taxes: Distilled spirits taxes: Total (12)	Imported (Collected by Customs) (13)	Domestic[14] (14)	Rectification[14] (15)	Occupational[15] (16)	Other[15] (17)
United States, total		5,649,460	1,775,866	17,832,707	5,406,633	3,827,460	689,815	3,103,140	18,326	15,907	272
North-Atlantic Region		936,904	343,112	1,671,244	595,891	432,380	215,081	213,953	1,106	2,233	7
Albany	(See (c) below)	39,398	5,901	10,384	410	193	—	—	—	191	3
Augusta[8]	(Maine)	20,854	6,726	12,923	3,091	3,021	—	2,888	34	98	1
Boston	(Massachusetts)	133,075	61,537	303,927	156,306	146,730	78,169	67,369	760	428	3
Brooklyn	(See (c) below)	217,439	16,848	122,469	14,901	11,995	—	11,699	·	296	—
Buffalo	(See (c) below)	106,852	20,874	175,063	106,507	815	—	432	—	383	—
Burlington	(Vermont)	7,804	1,224	3,584	75	70	—	—	—	70	—
Hartford[8]	(Connecticut)	122,793	47,074	553,213	130,439	130,197	—	129,614	297	285	·
Manhattan	(See (c) below)	246,328	172,464	450,538	154,559	137,284	136,912	·	—	352	—
Portsmouth	(New Hampshire)	21,378	5,566	25,880	20,824	2,008	—	1,950	15	43	·
Providence	(Rhode Island)	20,984	4,896	13,263	8,580	88	—	—	—	88	—
Mid-Atlantic Region		666,119	210,876	3,526,697	908,263	712,068	58,065	646,850	5,126	1,944	83
Baltimore[8]	(Maryland & D.C.)	151,952	47,006	690,894	278,625	251,194	58,065	190,189	2,602	316	23
Newark[8]	(New Jersey)	149,877	44,774	1,026,457	290,673	219,465	—	217,768	1,089	608	—
Philadelphia	(See (e) below)	161,047	54,139	467,910	187,413	129,744	—	128,326	961	456	—
Pittsburgh	(See (e) below)	92,563	21,488	439,908	98,983	85,059	—	84,310	353	338	58
Richmond	(Virginia)	91,493	33,028	832,772	52,324	26,564	—	26,257	122	185	—
Wilmington	(Delaware)	19,186	10,241	66,755	45	43	—	—	—	41	1
Southeast Region		716,484	208,399	2,751,385	309,123	124,275	52,342	70,085	71	1,627	151
Atlanta	(Georgia)	82,166	27,538	279,838	51,427	13,780	—	13,425	51	287	17
Birmingham	(Alabama)	45,669	17,795	96,790	3,804	3,641	3,541	17	—	72	11
Columbia	(South Carolina)	40,103	9,674	29,812	646	217	—	4	—	209	4
Greensboro	(North Carolina)	82,829	25,273	1,345,405	43,552	260	—	24	—	236	—
Jackson	(Mississippi)	26,898	11,135	23,186	160	86	—	12	—	64	10
Jacksonville[8]	(Florida)	375,609	94,218	303,058	118,729	54,449	48,801	4,650	19	670	109
Nashville[8]	(Tennessee)	63,411	22,767	673,297	90,786	51,842	—	51,754	—	88	—
Central Region		628,157	189,010	3,380,550	1,558,128	1,412,250	195,643	1,206,781	7,117	2,509	—
Cincinnati[8]	(See (d) below)	97,491	31,176	343,192	230,917	184,210	—	182,785	1,006	419	—
Cleveland	(See (d) below)	128,981	52,440	654,725	54,422	42,929	31,770	10,324	165	670	—
Detroit	(Michigan)	192,817	65,642	775,031	374,118	310,310	164,073	144,578	831	828	—
Indianapolis	(Indiana)	133,551	21,671	380,285	256,000	246,769	—	242,613	3,743	414	—
Louisville	(Kentucky)	48,510	14,089	1,203,882	635,820	621,255	—	619,755	1,373	128	—
Parkersburg	(West Virginia)	26,805	3,991	23,436	6,851	6,776	—	6,726	—	50	—
Midwest Region		934,240	275,253	2,262,381	755,149	395,269	51,242	338,001	3,175	2,856	15
Aberdeen	(South Dakota)	15,499	5,889	11,370	92	65	—	—	—	65	—
Chicago[8]	(See (b) below)	318,983	114,531	929,304	162,040	154,844	35,050	118,410	635	749	—
Des Moines	(Iowa)	110,357	17,264	51,355	690	187	—	·	—	187	—
Fargo	(North Dakota)	18,731	2,244	11,196	98	85	21	—	—	65	—
Milwaukee	(Wisconsin)	85,929	26,591	339,602	211,872	7,363	3,805	2,657	96	789	15
Omaha	(Nebraska)	61,220	13,006	83,118	4,166	136	—	—	—	136	—
St. Louis	(Missouri)	134,364	46,324	403,449	146,345	63,659	8,987	53,303	989	381	—
St. Paul	(Minnesota)	77,279	26,329	188,962	50,125	21,452	3,379	17,744	128	201	—
Springfield	(See (b) below)	111,879	21,076	244,005	179,721	147,497	—	145,886	1,327	283	—
Southwest Region		746,367	302,579	2,103,225	320,658	70,796	40,581	28,275	9	1,917	13
Albuquerque	(New Mexico)	20,955	9,737	14,227	1,750	1,681	—	1,612	1	68	—
Austin[8]	(See (f) below)	255,323	99,467	1,005,779	76,029	33,129	27,692	4,785	5	645	4
Cheyenne	(Wyoming)	14,941	5,780	26,103	44	37	—	—	—	37	—
Dallas	(See (f) below)	167,661	83,156	319,210	88,098	436	—	·	—	425	10
Denver	(Colorado)	52,201	18,014	226,889	113,991	187	—	—	—	187	—
Little Rock	(Arkansas)	25,074	11,933	23,420	483	83	—	2	—	81	—
New Orleans	(Louisiana)	67,676	25,793	86,165	37,571	32,806	12,889	19,605	3	309	·
Oklahoma City	(Oklahoma)	69,074	21,164	334,078	217	73	—	·	—	73	—
Wichita	(Kansas)	73,462	27,535	65,352	2,476	2,365	—	2,272	—	93	·
Western Region		1,006,923	244,735	2,247,021	808,758	529,549	76,861	448,374	1,694	2,820	—
Anchorage	(Alaska)	3,234	460	11,864	226	48	6	—	—	41	—
Boise	(Idaho)	15,406	2,853	8,759	87	66	—	—	—	66	—
Helena	(Montana)	16,830	4,197	8,695	2,095	2,063	4	1,971	3	85	—
Honolulu	(Hawaii)	12,958	11,266	16,953	3,773	2,595	2,431	88	2	74	—
Los Angeles	(See (a) below)	377,587	77,955	626,277	223,115	140,644	35,044	104,546	155	899	—
Phoenix	(Arizona)	45,790	18,271	18,465	4,135	1,767	1,575	—	—	192	—
Portland	(Oregon)	47,946	16,527	314,797	24,047	18,210	1,242	16,736	38	194	—
Reno	(Nevada)	21,441	7,155	14,176	76	72	—	—	—	72	—
Salt Lake City	(Utah)	13,176	10,072	14,736	32	9	—	—	—	9	—
San Francisco[8]	(See (a) below)	368,965	66,748	987,651	483,193	349,084	27,162	319,569	1,474	859	—
Seattle	(Washington)	83,589	29,232	224,648	67,960	14,992	9,196	5,446	22	328	—
Office of International Operations[9]		14,266	2,101	166,616	150,862	150,852	—	150,822	28	·	3
Puerto Rico		553	600	162,911	150,861	150,852	—	150,822	28	·	3
Other		13,713	1,501	3,905	·	—	—	—	—	·	—
Undistributed:											
Federal tax deposits[10]		—	—	-276,619	—	—	—	—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[11]		—	—	—	—	—	—	—	—	—	—
Transferred to Government of Guam		—	—	—	—	—	—	—	—	—	—
Withheld taxes of Federal employees		—	—	—	—	—	—	—	—	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy		—	—	26	—	—	—	—	—	—	—
Presidential Election Fund[12]		—	—	—	—	—	—	—	—	—	—
Earned Income Credits[13]		—	—	—	—	—	—	—	—	—	—
Totals for States not shown above											
	(a) California	746,551	144,703	1,613,928	706,308	489,728	62,207	424,135	1,629	1,758	—
	(b) Illinois	430,862	135,607	1,173,309	341,761	302,341	35,050	264,296	1,962	1,032	—
	(c) New York	610,016	216,087	758,453	276,376	150,287	136,912	12,131	·	1,222	3
	(d) Ohio	226,473	83,615	997,917	285,339	227,139	31,770	193,109	1,171	1,089	—
	(e) Pennsylvania	253,610	75,627	907,818	286,396	214,803	—	212,636	1,314	794	58
	(f) Texas	422,984	182,623	1,324,989	164,126	33,565	27,692	4,785	5	1,070	14

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas—Continued (In thousands of dollars)

Internal revenue regions, districts, States and other areas[1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Alcohol taxes—Continued: Wines, cordials, etc., taxes: Total (18)	Imported (Collected by Customs) (19)	Domestic[14] (20)	Occupational taxes[15] (21)	Beer taxes: Total (22)	Imported (Collected by Customs) (23)	Domestic[14] (24)	Occupational taxes[15] (25)
United States, total		180,676	27,335	152,573	768	1,398,497	22,811	1,372,753	2,933
North-Atlantic Region		34,142	11,562	22,554	26	129,170	13,797	114,971	402
Albany	(See (c) below)	173	—	171	2	43	—	—	43
Augusta[8]	(Maine)	37	—	32	5	33	—	—	33
Boston	(Massachusetts)	2,966	2,157	804	5	6,610	6,160	443	7
Brooklyn	(See (c) below)	2,804	—	2,803	2	101	—	—	101
Buffalo	(See (c) below)	18,488	—	18,484	4	87,205	—	87,122	83
Burlington	(Vermont)	4	—	*	4	1	—	—	1
Hartford[8]	(Connecticut)	69	—	67	1	174	—	138	36
Manhattan	(See (c) below)	9,588	9,405	181	1	7,706	7,636	2	69
Portsmouth	(New Hampshire)	11	—	10	1	18,806	—	18,778	28
Providence	(Rhode Island)	2	—	1	1	8,490	—	8,489	1
Mid-Atlantic Region		9,321	3,654	5,480	187	188,874	1,437	185,110	327
Baltimore[8]	(Maryland & D.C.)	3,663	3,654	5	4	23,968	1,437	22,500	31
Newark[8]	(New Jersey)	2,722	—	2,553	168	68,487	—	68,450	37
Philadelphia	(See (e) below)	1,081	—	1,079	2	56,589	—	56,494	95
Pittsburgh	(See (e) below)	14	—	13	1	13,909	—	13,832	78
Richmond	(Virginia)	1,840	—	1,829	12	23,920	—	23,834	86
Wilmington	(Delaware)	*	—	—	*	2	—	—	2
Southeast Region		5,553	2,394	3,010	149	179,295	993	177,772	531
Atlanta	(Georgia)	689	—	675	14	36,957	—	36,904	53
Birmingham	(Alabama)	52	49	—	3	111	45	—	67
Columbia	(South Carolina)	392	—	373	19	37	—	—	37
Greensboro	(North Carolina)	32	—	2	30	43,260	—	43,172	88
Jackson	(Mississippi)	*	—	—	*	94	—	—	94
Jacksonville[8]	(Florida)	4,387	2,345	1,961	81	59,893	948	58,852	93
Nashville[8]	(Tennessee)	1	—	—	1	38,943	—	38,843	99
Central Region		4,778	2,454	2,267	56	141,100	1,454	139,428	218
Cincinnati[8]	(See (d) below)	522	—	513	9	46,185	—	46,162	23
Cleveland	(See (d) below)	1,864	1,058	793	13	9,630	20	9,589	21
Detroit	(Michigan)	2,124	1,396	704	24	61,684	1,434	60,235	14
Indianapolis	(Indiana)	267	—	257	10	8,964	—	8,933	31
Louisville	(Kentucky)	1	—	—	1	14,563	—	14,508	55
Parkersburg	(West Virginia)	1	—	—	1	74	—	—	74
Midwest Region		7,224	2,833	4,372	19	352,636	427	351,733	475
Aberdeen	(South Dakota)	*	—	—	*	27	—	—	27
Chicago[8]	(See (b) below)	5,293	1,938	3,347	8	1,904	340	1,536	28
Des Moines	(Iowa)	29	—	28	1	473	—	413	61
Fargo	(North Dakota)	3	2	—	1	10	2	—	8
Milwaukee	(Wisconsin)	339	324	12	3	204,170	70	203,993	107
Omaha	(Nebraska)	1	—	—	1	4,029	—	4,007	22
St. Louis	(Missouri)	1,258	274	983	2	81,428	7	81,326	96
St. Paul	(Minnesota)	297	295	—	1	28,377	10	28,259	108
Springfield	(See (b) below)	5	—	2	3	32,219	—	32,199	20
Southwest Region		2,055	1,382	445	227	247,607	983	246,099	726
Albuquerque	(New Mexico)	66	—	66	*	3	—	—	3
Austin[8]	(See (f) below)	1,256	1,071	2	185	41,641	654	40,544	243
Cheyenne	(Wyoming)	*	—	—	*	7	—	—	7
Dallas	(See (f) below)	22	—	*	22	87,640	—	87,542	98
Denver	(Colorado)	3	—	1	2	113,801	—	113,767	35
Little Rock	(Arkansas)	375	—	374	2	25	—	—	25
New Orleans	(Louisiana)	314	311	1	1	4,451	129	4,246	76
Oklahoma City	(Oklahoma)	1	—	*	1	143	—	—	143
Wichita	(Kansas)	15	—	—	15	95	—	—	95
Western Region		117,595	3,055	114,438	102	161,613	3,720	157,641	253
Anchorage	(Alaska)	1	1	*	1	177	1	173	3
Boise	(Idaho)	2	—	—	2	19	—	1	19
Helena	(Montana)	2	1	*	1	30	3	—	27
Honolulu	(Hawaii)	69	69	—	*	1,109	201	906	2
Los Angeles	(See (a) below)	5,002	1,317	3,657	28	77,469	2,536	74,858	75
Phoenix	(Arizona)	9	—	*	9	2,359	—	2,346	13
Portland	(Oregon)	149	105	29	15	5,688	45	5,631	12
Reno	(Nevada)	1	—	—	1	3	—	—	3
Salt Lake City	(Utah)	*	—	—	*	23	—	—	23
San Francisco[8]	(See (a) below)	111,672	1,197	110,451	24	22,437	811	21,563	62
Seattle	(Washington)	689	365	301	22	52,299	121	52,162	16
Office of International Operations[9]		8	—	8	—	1	—	1	*
Puerto Rico		8	—	8	—	1	—	1	*
Other		—	—	—	—	—	—	—	—
Undistributed:									
Federal tax deposits[10]		—	—	—	—	—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[11]		—	—	—	—	—	—	—	—
Transferred to Government of Guam		—	—	—	—	—	—	—	—
Withheld taxes of Federal employees		—	—	—	—	—	—	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy		—	—	—	—	—	—	—	—
Presidential Election Fund[12]		—	—	—	—	—	—	—	—
Earned Income Credits[13]		—	—	—	—	—	—	—	—
Totals for States not shown above									
	(a) California	116,674	2,515	114,107	52	99,906	3,348	96,422	137
	(b) Illinois	5,298	1,938	3,349	11	34,123	340	33,735	47
	(c) New York	31,053	9,405	21,639	9	85,057	7,636	87,124	296
	(d) Ohio	2,386	1,058	1,305	22	55,815	20	55,750	44
	(e) Pennsylvania	1,095	—	1,093	2	70,498	—	70,326	172
	(f) Texas	1,280	1,071	2	206	129,282	854	128,086	341

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas—Confined (In thousands of dollars)

Internal revenue regions, districts, States and other areas[1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Tobacco taxes: Total (26)	Cigarettes (27)	Cigars (28)	Other[16] (29)
United States, total		2,398,501	2,357,519	37,128	3,854
North-Atlantic Region		2,151	132	397	1,622
Albany	(See (c) below)	100	—	88	12
Augusta[8]	(Maine)	—	—	—	—
Boston	(Massachusetts)	260	1	*	259
Brooklyn	(See (c) below)	9	9	*	—
Buffalo	(See (c) below)	*	—	*	—
Burlington	(Vermont)	—	—	—	—
Hartford[8]	(Connecticut)	292	—	292	—
Manhattan	(See (c) below)	1,489	122	16	1,351
Portsmouth	(New Hampshire)	—	—	*	—
Providence	(Rhode Island)	—	—	—	—
Mid-Atlantic Region		714,088	701,458	12,251	378
Baltimore[8]	(Maryland & D.C.)	244	—	—	244
Newark[8]	(New Jersey)	490	396	8	86
Philadelphia	(See (e) below)	12,188	*	12,188	—
Pittsburgh	(See (e) below)	1	—	1	—
Richmond	(Virginia)	701,164	701,062	54	48
Wilmington	(Delaware)	—	—	—	—
Southeast Region		1,217,077	1,206,392	9,255	1,430
Atlanta	(Georgia)	12,292	11,389	903	—
Birmingham	(Alabama)	3,240	—	3,240	—
Columbia	(South Carolina)	10	10	—	—
Greensboro	(North Carolina)	1,196,463	1,194,914	1,005	544
Jackson	(Mississippi)	—	—	—	—
Jacksonville[8]	(Florida)	4,527	69	4,115	342
Nashville[8]	(Tennessee)	546	*	3	543
Central Region		452,517	449,455	3,032	30
Cincinnati[8]	(See (d) below)	—	—	—	—
Cleveland	(See (d) below)	655	—	653	2
Detroit	(Michigan)	33	*	32	1
Indianapolis	(Indiana)	536	—	536	—
Louisville	(Kentucky)	451,175	449,455	1,692	27
Parkersburg	(West Virginia)	118	—	118	—
Midwest Region		283	—	9	274
Aberdeen	(South Dakota)	—	—	—	—
Chicago[8]	(See (b) below)	263	—	3	260
Des Moines	(Iowa)	—	—	—	—
Fargo	(North Dakota)	*	—	—	*
Milwaukee	(Wisconsin)	19	—	5	14
Omaha	(Nebraska)	—	—	—	—
St. Louis	(Missouri)	*	—	*	*
St. Paul	(Minnesota)	*	—	—	*
Springfield	(See (b) below)	—	—	—	—
Southwest Region		223	3	213	7
Albuquerque	(New Mexico)	—	—	—	—
Austin[8]	(See (f) below)	222	2	213	7
Cheyenne	(Wyoming)	—	—	—	—
Dallas	(See (f) below)	*	—	*	—
Denver	(Colorado)	—	—	—	—
Little Rock	(Arkansas)	—	—	—	—
New Orleans	(Louisiana)	1	—	*	1
Oklahoma City	(Oklahoma)	—	—	—	—
Wichita	(Kansas)	—	—	—	—
Western Region		126	2	14	110
Anchorage	(Alaska)	*	*	—	*
Boise	(Idaho)	—	—	—	—
Helena	(Montana)	*	—	—	*
Honolulu	(Hawaii)	2	1	—	1
Los Angeles	(See (a) below)	96	*	13	83
Phoenix	(Arizona)	1	1	—	*
Portland	(Oregon)	2	*	—	2
Reno	(Nevada)	*	—	*	*
Salt Lake City	(Utah)	—	—	—	—
San Francisco[8]	(See (a) below)	21	*	1	20
Seattle	(Washington)	4	*	*	4
Office of International Operations[9]		12,037	87	11,947	2
Puerto Rico		12,037	87	11,947	2
Other		—	—	—	—
Undistributed:					
Federal tax deposits[10]		—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[11]		—	—	—	—
Transferred to Government of Guam		—	—	—	—
Withheld taxes of Federal employees		—	—	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy		—	—	—	—
Presidential Election Fund[12]		—	—	—	—
Earned Income Credits[13]		—	—	—	—
Totals for States not shown above					
	(a) California	117		13	104
	(b) Illinois	263	—	3	260
	(c) New York	1,599	131	104	1,363
	(d) Ohio	655	—	653	2
	(e) Pennsylvania	12,190	*	12,189	—
	(f) Texas	222	2	213	7

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas—Continued (In thousands of dollars)

Internal revenue regions, districts, States and other areas[1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Manufacturer's excise taxes: Total	Gasoline	Lubricating oil, etc.	Tires (wholly or in part of rubber), inner tubes and tread rubber	Motor vehicle chassis bodies, parts and accessories	Other[15]	Retailer's excise taxes: Total	Non-Commercial aviation fuel gasoline	Non-Commercial aviation fuel other than gasoline
		(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
United States, total		**6,068,682**	**4,322,077**	**100,929**	**792,957**	**754,734**	**97,985**	**480,602**	**10,390**	**30,014**
North-Atlantic Region		**395,452**	**139,830**	**574**	**182,028**	**16,532**	**56,688**	**22,874**	**648**	**2,447**
Albany	(See (c) below)	4,079	3,604	8	68	305	94	1,599	50	77
Augusta[9]	(Maine)	5,905	4,791	·	642	123	348	1,703	42	81
Boston	(Massachusetts)	50,976	44,748	202	719	957	4,349	4,120	114	125
Brooklyn	(See (c) below)	45,805	10,098	45	32,966	2,535	159	1,444	61	73
Buffalo	(See (c) below)	61,270	22,333	41	21,737	3,155	14,002	6,104	148	1,002
Burlington	(Vermont)	1,886	1,572	·	65	79	170	670	20	25
Hartford[9]	(Connecticut)	168,451	16,295	34	115,474	5,068	31,580	3,369	70	440
Manhattan	(See (c) below)	44,594	25,677	231	10,014	3,692	4,981	2,157	104	528
Portsmouth	(New Hampshire)	2,613	1,553	·	158	100	802	1,180	23	52
Providence	(Rhode Island)	9,875	8,957	13	185	518	202	530	16	44
Mid-Atlantic Region		**766,300**	**570,943**	**20,686**	**84,754**	**83,554**	**6,363**	**53,096**	**770**	**4,871**
Baltimore[9]	(Maryland & D.C.)	83,360	35,089	477	46,516	1,116	160	3,691	72	115
Newark[9]	(New Jersey)	103,727	80,611	3,793	10,189	5,262	3,871	8,615	252	1,824
Philadelphia	(See (e) below)	264,301	184,496	6,006	23,297	69,164	1,337	12,435	134	481
Pittsburgh	(See (e) below)	289,978	268,694	10,408	3,856	8,915	105	19,968	170	1,354
Richmond	(Virginia)	23,530	20,805	2	881	983	859	6,537	128	312
Wilmington	(Delaware)	1,404	1,247	·	12	114	30	1,649	14	766
Southeast Region		**183,000**	**137,673**	**555**	**16,384**	**24,885**	**3,502**	**57,470**	**1,823**	**4,168**
Atlanta	(Georgia)	35,220	24,860	110	1,267	8,885	78	9,178	246	1,634
Birmingham	(Alabama)	21,352	12,992	27	2,147	6,001	184	5,158	150	−589
Columbia	(South Carolina)	18,801	17,470	21	330	540	439	3,109	121	411
Greensboro	(North Carolina)	49,754	42,895	8	2,923	3,779	148	10,067	248	528
Jackson	(Mississippi)	16,702	7,729	2	8,248	694	29	3,807	137	158
Jacksonville[9]	(Florida)	17,147	11,545	194	868	2,044	2,496	15,384	517	1,391
Nashville[9]	(Tennessee)	24,025	20,181	193	580	2,942	127	10,769	204	635
Central Region		**1,195,397**	**423,529**	**6,187**	**460,735**	**302,745**	**2,201**	**59,601**	**829**	**2,572**
Cincinnati[9]	(See (d) below)	28,962	18,324	242	7,952	2,375	70	4,397	135	475
Cleveland	(See (d) below)	675,486	180,490	2,381	444,350	47,886	379	18,685	51	474
Detroit	(Michigan)	328,491	88,957	570	7,379	232,408	1,177	11,750	262	511
Indianapolis	(Indiana)	54,579	37,616	35	257	16,130	540	12,832	222	580
Louisville	(Kentucky)	102,921	96,500	2,924	555	2,925	16	9,452	91	289
Parkersburg	(West Virginia)	4,959	3,642	35	242	1,021	19	2,485	66	242
Midwest Region		**775,181**	**570,717**	**10,954**	**14,032**	**163,690**	**15,789**	**81,247**	**1,471**	**3,737**
Aberdeen	(South Dakota)	7,023	5,819	15	48	1,340	1	2,181	60	90
Chicago[9]	(See (b) below)	460,390	308,731	7,932	6,897	130,618	6,211	26,368	214	673
Des Moines	(Iowa)	30,600	21,466	115	3,777	4,700	542	8,796	179	243
Fargo	(North Dakota)	6,584	5,600	39	197	744	4	1,802	64	89
Milwaukee	(Wisconsin)	79,606	66,441	179	472	10,669	1,846	8,637	174	452
Omaha	(Nebraska)	8,590	7,153	316	36	874	211	4,562	154	300
St. Louis	(Missouri)	78,239	65,556	1,314	2,298	7,440	632	12,638	208	1,055
St. Paul	(Minnesota)	62,540	52,415	1,041	252	2,836	5,997	9,867	275	569
Springfield	(See (b) below)	41,608	36,736	3	54	4,469	345	6,396	143	265
Southwest Region		**1,991,539**	**1,906,019**	**48,310**	**5,991**	**28,218**	**3,001**	**119,032**	**2,509**	**8,520**
Albuquerque	(New Mexico)	5,961	5,839	·	53	68	1	3,877	141	98
Austin[9]	(See (f) below)	1,078,386	1,039,652	32,126	2,600	3,897	112	42,948	536	3,828
Cheyenne	(Wyoming)	26,290	26,226	3	16	41	4	3,571	74	95
Dallas	(See (f) below)	327,581	309,106	8,043	1,318	8,643	470	26,969	332	1,192
Denver	(Colorado)	36,744	32,451	40	358	3,306	588	4,810	314	750
Little Rock	(Arkansas)	78,676	75,124	504	68	1,627	1,354	8,628	218	230
New Orleans	(Louisiana)	33,730	29,886	374	14	3,226	230	6,588	340	949
Oklahoma City	(Oklahoma)	337,274	323,672	6,721	1,407	5,307	167	14,557	305	1,013
Wichita	(Kansas)	86,897	64,063	499	158	2,104	74	9,082	249	365
Western Region		**761,394**	**573,541**	**13,663**	**28,654**	**135,097**	**10,440**	**87,222**	**2,537**	**3,700**
Anchorage	(Alaska)	71	10	·	9	49	3	1,122	146	236
Boise	(Idaho)	3,190	2,750	1	168	165	106	2,815	82	117
Helena	(Montana)	1,340	982	—	119	173	66	2,392	105	98
Honolulu	(Hawaii)	597	167	·	243	26	159	350	38	54
Los Angeles	(See (a) below)	270,004	220,364	4,652	24,892	15,399	4,698	20,834	640	1,278
Phoenix	(Arizona)	7,450	843	4	254	6,319	30	6,809	234	277
Portland	(Oregon)	38,910	4,078	70	771	32,652	1,341	6,029	203	396
Reno	(Nevada)	2,324	2,263	·	34	25	1	2,273	109	205
Salt Lake City	(Utah)	8,622	3,140	·	161	501	2,821	5,330	92	85
San Francisco[9]	(See (a) below)	344,780	329,159	8,903	1,726	4,403	588	34,971	659	772
Seattle	(Washington)	86,106	9,784	33	277	75,384	628	4,297	229	183
Office of International Operations[9]		**419**	**25**	—	**379**	**13**	**1**	**59**	**2**	—
Puerto Rico		—	—	—	—	—	—	4	—	—
Other		419	25	—	379	13	1	55	2	—
Undistributed:										
Federal tax deposits[16]		—	—	—	—	—	—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[11]		—	—	—	—	—	—	—	—	—
Transferred to Government of Guam		—	—	—	—	—	—	—	—	—
Withheld taxes of Federal employees		—	—	—	—	—	—	—	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy		—	—	—	—	—	—	—	—	—
Presidential Election Fund[12]		—	—	—	—	—	—	—	—	—
Earned Income Credits[13]		—	—	—	—	—	—	—	—	—
Totals for States not shown above										
	(a) California	614,784	549,523	13,555	26,618	19,802	5,286	55,805	1,299	2,050
	(b) Illinois	501,998	345,467	7,935	6,951	135,087	6,556	32,764	357	938
	(c) New York	155,748	61,712	325	64,787	9,687	19,236	11,304	363	1,680
	(d) Ohio	704,448	198,814	2,623	452,302	50,261	449	23,082	186	949
	(e) Pennsylvania	554,279	433,190	16,414	27,153	76,079	1,442	32,403	304	1,835
	(f) Texas	1,405,967	1,348,756	40,169	3,918	12,540	582	69,917	868	5,020

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas—Continued (In thousands of dollars)

Internal revenue regions, districts, States and other areas[1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Retailer's excise taxes Continued: Diesel and special motor fuels	Other[15]	Miscellaneous excise taxes: Total	Telephone and teletypewriter services	Transportation of persons by air	Use of international air travel facilities	Transportation of property by air	Sugar
		(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
United States, total		**440,190**	**8**	**3,165,171**	**1,708,778**	**957,251**	**58,296**	**55,147**	**14**
North-Atlantic Region		**19,772**	**6**	**478,836**	**255,023**	**136,685**	**19,261**	**6,232**	**9**
Albany	(See (c) below)	1,472	—	4,219	2,562	106	—	3	1
Augusta[9]	(Maine)	1,579	—	3,242	1,842	135	·	3	·
Boston	(Massachusetts)	3,881	—	85,754	78,657	796	6	34	—
Brooklyn	(See (c) below)	1,309	—	145,712	40	130,549	6,247	6,075	—
Buffalo	(See (c) below)	4,955	—	11,917	6,904	258	—	18	·
Burlington	(Vermont)	625	—	881	196	61	·	8	6
Hartford[9]	(Connecticut)	2,859	—	31,800	26,881	205	2	14	1
Manhattan	(See (c) below)	1,517	8	193,158	137,701	4,497	13,005	62	—
Portsmouth	(New Hampshire)	1,104	—	1,260	240	24	·	1	—
Providence	(Rhode Island)	471	—	893	—	33	·	14	—
Mid-Atlantic Region		**47,455**	—	**285,735**	**208,534**	**26,425**	**1,019**	**817**	**1**
Baltimore[9]	(Maryland & D.C.)	3,705	—	74,194	39,219	25,380	614	568	·
Newark[9]	(New Jersey)	6,539	—	72,676	60,724	345	394	43	·
Philadelphia	(See (e) below)	11,821	—	75,190	60,524	342	5	153	·
Pittsburgh	(See (e) below)	18,443	—	16,591	8,971	143	·	11	·
Richmond	(Virginia)	6,098	—	44,892	39,095	167	6	42	1
Wilmington	(Delaware)	850	—	2,190	2	48	—	·	—
Southeast Region		**51,679**	—	**628,376**	**283,848**	**277,520**	**9,055**	**10,739**	**−4**
Atlanta	(Georgia)	7,295	—	261,609	125,146	126,393	1,393	338	1
Birmingham	(Alabama)	5,597	—	107,429	102,554	15	—	2	7
Columbia	(South Carolina)	2,576	—	5,208	2,285	132	·	28	—
Greensboro	(North Carolina)	9,291	—	42,630	21,732	10,394	32	461	—
Jackson	(Mississippi)	3,513	—	3,392	534	73	—	119	—
Jacksonville[9]	(Florida)	13,475	—	180,127	25,543	131,256	6,869	5,166	−12
Nashville[9]	(Tennessee)	9,931	—	27,980	6,055	9,256	761	4,624	—
Central Region		**56,201**	—	**255,494**	**201,682**	**2,001**	**42**	**2,159**	**−2**
Cincinnati[9]	(See (d) below)	3,787	—	30,896	24,025	702	1	12	—
Cleveland	(See (d) below)	18,160	—	75,313	62,931	427	—	491	·
Detroit	(Michigan)	10,976	—	82,666	62,768	500	20	1,612	·
Indianapolis	(Indiana)	12,029	—	48,302	38,653	195	21	26	—
Louisville	(Kentucky)	9,072	—	9,242	5,483	132	·	15	—
Parkersburg	(West Virginia)	2,177	—	9,874	8,023	45	·	2	−2
Midwest Region		**76,039**	—	**823,954**	**385,907**	**339,461**	**14,092**	**20,904**	**6**
Aberdeen	(South Dakota)	2,030	—	1,917	769	8	—	·	—
Chicago[9]	(See (b) below)	25,481	—	303,547	86,470	181,400	8,349	6,647	2
Des Moines	(Iowa)	8,374	—	10,546	5,263	99	·	134	3
Fargo	(North Dakota)	1,649	—	2,191	900	·	·	1	—
Milwaukee	(Wisconsin)	8,010	—	44,550	35,554	702	1	154	·
Omaha	(Nebraska)	4,107	—	75,617	72,497	51	·	2	—
St. Louis	(Missouri)	11,375	—	297,158	166,452	107,213	2,526	11,574	·
St. Paul	(Minnesota)	9,024	—	71,960	5,859	49,712	3,212	2,384	1
Springfield	(See (b) below)	5,987	—	16,468	12,144	275	3	9	·
Southwest Region		**108,002**	—	**239,399**	**103,374**	**77,718**	**2,256**	**2,838**	**1**
Albuquerque	(New Mexico)	3,638	—	1,398	195	72	—	47	—
Austin[9]	(See (f) below)	38,583	—	41,833	2,001	23,122	539	692	—
Cheyenne	(Wyoming)	3,402	—	1,145	169	17	—	1	—
Dallas	(See (f) below)	25,446	—	70,055	17,949	37,281	1,475	1,362	·
Denver	(Colorado)	3,746	—	91,498	71,006	15,251	104	521	1
Little Rock	(Arkansas)	6,179	—	5,334	1,864	119	5	10	—
New Orleans	(Louisiana)	5,300	—	8,577	2,182	1,515	131	23	—
Oklahoma City	(Oklahoma)	13,239	—	8,191	1,482	131	·	165	—
Wichita	(Kansas)	8,469	—	11,367	6,525	208	1	18	—
Western Region		**80,985**	—	**445,070**	**270,210**	**94,010**	**9,882**	**11,458**	**3**
Anchorage	(Alaska)	740	—	11,150	3,567	4,395	153	1,998	—
Boise	(Idaho)	2,616	—	2,248	203	33	—	—	—
Helena	(Montana)	2,189	—	2,163	484	94	·	151	—
Honolulu	(Hawaii)	259	—	21,835	16,100	4,067	98	573	·
Los Angeles	(See (a) below)	18,917	—	142,230	36,230	78,872	6,299	5,514	—
Phoenix	(Arizona)	6,298	—	3,263	111	239	1	362	—
Portland	(Oregon)	5,430	—	8,416	1,973	97	·	379	·
Reno	(Nevada)	1,959	—	8,890	162	441	·	26	—
Salt Lake City	(Utah)	5,153	—	2,069	169	103	—	3	—
San Francisco[9]	(See (a) below)	33,540	—	185,029	163,464	3,508	2,671	2,353	2
Seattle	(Washington)	3,885	—	57,668	47,747	2,161	660	98	—
Office of International Operations[9]		**59**	—	**7,308**	·	**3,452**	**2,689**	·	—
Puerto Rico		4	—	14	—	·	5	—	—
Other		54	—	7,294		3,452	2,684		—
Undistributed:									
Federal tax deposits[16]		—	—	—	—	—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[11]		—	—	—	—	—	—	—	—
Transferred to Government of Guam		—	—	—	—	—	—	—	—
Withheld taxes of Federal employees		—	—	—	—	—	—	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy		—	—	—	—	—	—	—	—
Presidential Election Fund[12]		—	—	—	—	—	—	—	—
Earned Income Credits[13]		—	—	—	—	—	—	—	—
Totals for States not shown above									
	(a) California	52,457	—	327,259	199,694	82,381	8,970	7,867	3
	(b) Illinois	31,469	—	320,015	98,814	181,675	8,353	6,656	2
	(c) New York	9,253	8	355,006	147,207	135,410	19,252	6,158	1
	(d) Ohio	21,946	—	106,209	86,956	1,129	1	504	—
	(e) Pennsylvania	30,265	—	91,782	69,495	485	5	163	·
	(f) Texas	64,029	—	111,888	19,950	60,403	2,014	2,054	·

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas—Continued (In thousands of dollars)

Internal revenue regions, districts, States and other areas[1] (States represented by single district indicated in parentheses; totals for other States shown at bottom of table)	Miscellaneous excise taxes—Continued: Coin-operated gaming devices (47)	Occupational (48)	Wagers (49)	Use tax on highway motor vehicles (50)	Use tax on civil aircraft (51)	Private foundations net investment income (52)	Other (53)	Unclassified excise tax (54)
United States, total	**6,563**	**776**	**6,632**	**226,209**	**22,788**	**78,592**	**44,126**	**313,118**
North-Atlantic Region	**63**	**9**	**239**	**18,921**	**3,256**	**25,024**	**14,135**	**176,239**
Albany (See (c) below)	—	—	18	1,220	48	209	53	−24
Augusta[8] (Maine)	36	—	*	1,092	24	94	15	−1,017
Boston (Massachusetts)	20	5	166	3,686	109	2,120	154	6,513
Brooklyn (See (c) below)	—	*	14	2,046	135	263	343	−85,401
Buffalo (See (c) below)	—	2	39	3,389	94	1,134	79	−10,735
Burlington (Vermont)	1	—	—	419	12	160	19	72
Hartford[8] (Connecticut)	—	*	*	2,212	94	1,226	1,165	218,862
Manhattan (See (c) below)	1	—	1	3,706	2,705	19,451	12,028	54,581
Portsmouth (New Hampshire)	6	1	*	667	26	180	115	3
Providence (Rhode Island)	—	1	1	484	10	187	163	−6,614
Mid-Atlantic Region	**471**	**16**	**304**	**27,652**	**920**	**11,956**	**7,418**	**799,215**
Baltimore[8] (Maryland & D.C.)	380	1	149	3,491	262	1,119	3,012	250,380
Newark[8] (New Jersey)	8	*	14	6,084	164	2,461	2,439	550,275
Philadelphia (See (e) below)	3	1	14	8,039	172	4,754	1,185	−83,618
Pittsburgh (See (e) below)	45	7	18	4,593	126	2,393	283	14,386
Richmond (Virginia)	34	6	108	4,622	162	426	223	4,325
Wilmington (Delaware)	*	1	2	1,024	35	802	277	63,467
Southeast Region	**1,713**	**122**	**601**	**33,404**	**4,362**	**4,961**	**2,054**	**356,340**
Atlanta (Georgia)	19	9	123	4,697	1,724	975	791	−89,866
Birmingham (Alabama)	*	4	48	4,398	108	138	154	−44,193
Columbia (South Carolina)	221	6	76	2,137	71	231	21	2,039
Greensboro (North Carolina)	24	29	73	7,243	341	2,114	187	2,939
Jackson (Mississippi)	128	20	35	2,334	71	48	30	−895
Jacksonville[8] (Florida)	3	2	29	8,359	1,683	761	458	−32,856
Nashville[8] (Tennessee)	1,318	53	217	4,237	362	694	403	519,191
Central Region	**243**	**136**	**323**	**34,954**	**987**	**11,986**	**1,781**	**−141,587**
Cincinnati[8] (See (d) below)	23	6	40	4,595	133	1,014	345	48,020
Cleveland (See (d) below)	31	14	43	8,523	208	1,922	723	−169,836
Detroit (Michigan)	1	1	12	10,053	356	7,157	385	−22,228
Indianapolis (Indiana)	33	56	155	7,360	179	1,461	163	8,036
Louisville (Kentucky)	9	13	28	3,028	71	333	130	−4,728
Parkersburg (West Virginia)	147	46	44	1,397	40	98	35	−851
Midwest Region	**163**	**34**	**358**	**40,190**	**6,606**	**10,422**	**5,812**	**−173,453**
Aberdeen (South Dakota)	42	1	5	1,059	30	−9	11	157
Chicago[8] (See (b) below)	9	5	75	8,807	3,381	4,501	3,901	−23,305
Des Moines (Iowa)	*	5	17	4,494	117	319	95	723
Fargo (North Dakota)	2	—	*	1,174	50	10	53	520
Milwaukee (Wisconsin)	—	—	—	5,725	204	1,782	428	−5,082
Omaha (Nebraska)	25	13	175	2,476	103	178	98	−9,816
St. Louis (Missouri)	59	2	55	5,651	1,555	1,542	528	−130,932
St. Paul (Minnesota)	1	5	15	7,279	1,013	1,697	583	−5,531
Springfield (See (b) below)	24	2	15	3,526	152	202	115	−187
Southwest Region	**148**	**50**	**217**	**35,488**	**2,642**	**7,978**	**6,690**	**−567,826**
Albuquerque (New Mexico)	16	1	1	962	71	8	25	1,242
Austin[8] (See (f) below)	3	5	45	7,560	602	3,777	3,488	−233,638
Cheyenne (Wyoming)	19	—	*	815	61	67	−5	−2,948
Dallas (See (f) below)	7	8	49	8,655	634	1,688	749	−193,493
Denver (Colorado)	26	*	1	3,166	304	840	278	−20,154
Little Rock (Arkansas)	1	16	54	3,046	92	54	73	−67,701
New Orleans (Louisiana)	7	15	54	3,047	171	350	1,080	−303
Oklahoma City (Oklahoma)	61	4	14	4,211	356	911	857	−26,161
Wichita (Kansas)	9	—	*	4,026	152	284	144	−24,470
Western Region	**3,762**	**409**	**4,584**	**34,795**	**3,997**	**6,166**	**5,793**	**144,451**
Anchorage (Alaska)	*	12	7	663	305	6	40	−706
Boise (Idaho)	*	1	*	1,778	53	34	147	418
Helena (Montana)	59	18	3	1,238	62	26	27	705
Honolulu (Hawaii)	63	*	1	574	68	251	40	−9,603
Los Angeles (See (a) below)	18	—	6	7,961	1,815	2,672	2,742	−30,002
Phoenix (Arizona)	14	*	*	2,065	213	174	83	−3,191
Portland (Oregon)	300	1	*	5,003	353	186	123	237,394
Reno (Nevada)	3,061	99	4,229	444	104	218	17	703
Salt Lake City (Utah)	119	41	9	1,459	48	91	28	683
San Francisco[8] (See (a) below)	9	1	5	9,391	609	1,472	1,544	−60,342
Seattle (Washington)	119	237	325	4,220	266	1,033	1,002	8,392
Office of International Operations[9]	—	—	**5**	**604**	17	**98**	**444**	**−3,869**
Puerto Rico	—	—	5	—	*	4	1	−6
Other	—	—	—	604	17	94	443	−3,863
Undistributed:								
Federal tax deposits[10]	—	—	—	—	—	—	—	−276,619
Gasoline, lubricating oil, and excess FICA credits[11]	—	—	—	—	—	—	—	—
Transferred to Government of Guam	—	—	—	—	—	—	—	—
Withheld taxes of Federal employees	—	—	—	—	—	—	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy	—	—	—	—	—	—	—	26
Presidential Election Fund[12]	—	—	—	—	—	—	—	—
Earned Income Credits[13]	—	—	—	—	—	—	—	—
Totals for States not shown above								
(a) California	27	1	11	17,351	2,524	4,144	4,286	−90,345
(b) Illinois	33	7	90	12,333	3,533	4,703	4,016	−23,492
(c) New York	1	2	72	10,361	2,981	21,057	12,502	−41,579
(d) Ohio	54	20	83	13,117	340	2,936	1,068	−121,816
(e) Pennsylvania	49	8	32	12,632	298	7,147	1,468	−69,232
(f) Texas	10	13	93	16,214	1,436	5,464	4,237	−427,131

Table 2.—Internal revenue collections by sources and by quarters (In thousands of dollars)

Source of revenue	Quarter ended: December 31 1976	March 31 1977	June 30 1977	September 30 1977
Grand total	**70,772,100**	**87,137,933**	**115,791,903**	**84,437,480**
Corporation income tax[2]	**10,896,898**	**12,441,983**	**24,684,510**	**12,026,414**
Individual income and employment taxes, total	**53,901,517**	**67,556,307**	**85,203,868**	**66,169,887**
Income tax not withheld and SECA[3,4,5]	1,617,603	10,814,088	25,855,950	7,795,607
Income tax withheld and FICA[3,4,6]	51,300,365	56,051,905	58,338,670	57,238,286
Railroad retirement	466,726	471,293	484,972	485,810
Unemployment insurance[7]	516,820	219,021	524,277	650,184
Estate tax	**1,392,192**	**1,538,960**	**1,203,372**	**1,514,936**
Gift tax	**116,105**	**1,507,532**	**140,708**	**11,521**
Excise taxes, total	**4,485,389**	**4,093,152**	**4,559,445**	**4,714,722**
Alcohol taxes, total[15]	**1,254,955**	**1,298,236**	**1,334,739**	**1,518,704**
Distilled spirits[14]	909,641	971,553	922,013	1,024,253
Wines, cordials, etc.[14]	47,387	43,741	42,613	46,935
Beer[14]	297,927	282,942	370,113	447,516
Tobacco taxes, total[15]	**429,311**	**660,249**	**609,260**	**699,681**
Cigarettes[14]	416,833	650,818	601,426	688,443
Cigars[14]	11,714	8,424	6,934	10,056
Other[14,15]	764	1,007	901	1,183
Manufacturer's excise taxes, total	**1,493,045**	**1,467,945**	**1,473,067**	**1,634,624**
Gasoline	1,113,366	1,076,468	1,017,989	1,114,254
Lubricating oil, etc.	24,361	23,862	24,932	27,773
Tires (wholly or in part of rubber), inner tubes, and tread rubber	169,538	190,211	198,848	234,360
Motor vehicles, chassis, bodies, parts and accessories	162,897	160,055	199,485	232,297
Other[15]	22,883	17,349	31,813	25,940
Retailer's excise taxes, total	**116,284**	**117,646**	**119,313**	**127,360**
Noncommercial aviation gasoline	3,984	1,247	2,160	2,999
Noncommercial aviation fuel other than gasoline	6,861	7,875	8,173	7,105
Diesel and special motor fuels	105,438	108,515	108,980	117,257
Other[15]	1	7		—
Miscellaneous excise taxes, total	**755,851**	**778,615**	**715,908**	**914,797**
Telephone and teletypewriter exchange services	468,419	446,921	391,747	401,691
Transportation of persons by air	226,869	243,852	226,283	260,247
Use of international air travel facilities	16,526	13,582	12,462	15,726
Transportation of property by air	12,980	12,824	14,159	15,183
Sugar	10	10	5	−11
Coin-operated gaming devices	160	147	263	5,992
Wagering taxes:				
Occupational	57	60	77	582
Wagers	1,302	1,938	1,971	1,421
Use tax on highway motor vehicles	15,012	41,373	31,316	138,508
Use tax on civil aircraft	1,156	4,770	4,132	12,730
Exempt organizations, total	4,833	4,040	21,496	50,263
Other[15]	8,528	9,098	11,998	12,463
Unclassified excise taxes	**415,944**	**−229,539**	**307,158**	**−180,445**

Table 3.—Internal revenue collections by sources, fiscal year 1977 and comparable 12-month period for 1976
(In thousands of dollars)

Sources of revenue	1976	1977
Grand total, all sources	**310,822,819**	**358,139,417**
Corporation income taxes, total [17]	**47,431,879**	**60,049,804**
Regular	47,392,422	60,015,704
Exempt organization business income tax	39,456	34,100
Individual income and employment taxes, total	**240,583,681**	**272,831,580**
Income tax not withheld and SECA [3,4,5,18]	39,667,646	46,083,249
Income tax withheld and FICA [3,4,6,19]	197,567,618	222,929,226
Railroad retirement, total [20]	1,723,212	1,906,803
Unemployment insurance [21]	1,625,205	1,910,302
Estate tax [22]	**4,944,575**	**5,649,460**
Gift tax [22]	**463,566**	**1,775,866**
Excise taxes, total	**17,399,118**	**17,832,707**
Alcohol taxes, total	**5,399,055**	**5,406,533**
Distilled spirits taxes, total	3,877,986	3,827,460
Imported (collected by Customs, rates same as domestic)	697,692	689,815
Domestic, $10.50 per proof gallon or wine gallon when below proof [14]	3,140,973	3,103,140
Rectification, 30 cents per proof gallon [14]	27,607	18,326
Occupational taxes:		
Nonbeverage manufacturers of spirits, $25, $50, $100, per year	100	93
Rectifiers:		
Less than 20,000 proof gallons, $110 per year	3	4
20,000 proof gallons or more, $220 per year	21	19
Retail dealer (distilled spirits, wines, and beer), $54 per year	10,647	14,713
Wholesale dealer (distilled spirits, wines and beer), $255 per year	623	1,071
Manufacturers of stills, $55 per year	4	5
Seizures, penalties, etc.	313	272
Stills or condensers manufactured, $22 each	2	2
Wines, cordials, etc., taxes, total	**178,638**	**180,876**
Imported (collected by Customs, rates same as domestic)	22,497	27,335
Domestic (Still-wines, 17 cents, 67 cents, $2.25 per wine gallon; sparkling wines, $3.40; artificially carbonated wines, $2.40; liqueurs, cordials, $1.92) [14]	151,951	152,573
Occupational taxes:		
Retail dealers in wines or in wines and beer, $54 per year	3,841	727
Wholesale dealers in wines or in wines and beer, $225 per year	350	41
Beer taxes, total	**1,342,430**	**1,398,497**
Imported (collected by Customs, rates same as domestic)	18,782	22,811
Domestic, $9 per barrel of 31 gallons [14]	1,320,916	1,372,753
Occupational taxes:		
Brewers:		
Less than 500 barrels, $55 per year		1
500 barrels or more, $110 per year	16	12
Retail dealers in beer, $24 per year (includes limited retail dealer in distilled spirits, wine and beer, $2.20 and $4.50 per month)	2,128	2,280
Wholesale dealers in beer, $123 per year	568	640
Tobacco taxes, total	**2,514,321**	**2,398,501**
Cigarettes, total	**2,461,803**	**2,357,519**
Small (Class A), $4 per thousand	2,461,785	2,357,500
Large (Class B), $8.40 per thousand, except if over 6½ inches long $4 per thousand for each 2¾ inches or fraction thereof [14]	17	19
Prepayments		—
Cigars, total	**49,053**	**37,128**
Large cigars, total [14]	**47,291**	**35,681**
Class A (Retailing at not over 2½ cents each), $2.50 per thousand	7	132
Class B (Over 2½ cents, not over 4 cents each), $3 per thousand	856	331
Class C (Over 4 cents, not over 6 cents each), $4 per thousand	4,371	1,528
Class D (Over 6 cents, not over 8 cents each), $7 per thousand	9,775	3,960
Class E (Over 8 cents, not over 15 cents each), $10 per thousand	16,525	5,904
Class F (Over 15 cents, not over 20 cents each), $15 per thousand	10,886	4,248
Class G (Over 20 cents each), $20 per thousand	4,870	1,938
Wholesale price not more than $235.294 per thousand, 8½ percent	—	16,692
Wholesale price more than $235.294 per thousand, $20 per thousand	—	949
Small cigars, 75 cents per thousand	1,738	1,423
Prepayments	23	24
Imported cigars, cigarettes, cigarette papers and cigarette tubes (collected by Customs, rates same as domestic)	2,063	2,460
Miscellaneous tobacco	71	1
Cigarette papers and tubes, papers one-half cent per 50; tubes 1 cent per 50	1,332	1,393

Table 3.—Internal revenue collections by sources, fiscal year 1977 and comparable 12-month period for 1976—Continued
(In thousands of dollars)

Sources of revenue	1976	1977
Excise taxes—Continued		
Manufacturer's excise taxes, total	**5,622,931**	**6,068,682**
Gasoline, 4 cents per gallon	4,180,860	4,322,077
Lubricating oil, etc., 6 cents per gallon	95,586	100,929
Tires (wholly or in part of rubber), inner tubes, and tread rubber:		
Tires, highway type, 10 cents per pound, other, 5 cents per pound except laminated tires (other than type used on highway vehicles), 1 cent per pound	701,078	737,667
Inner tubes, 10 cents per pound	29,981	30,722
Tread rubber, 5 cents per pound	25,996	24,569
Motor vehicles, chassis, bodies, parts, and accessories:		
Passenger automobiles, chassis, bodies, etc., 7 percent [23]	-212	-2,637
Trucks, and buses, chassis, bodies, etc., 10 percent [23]	360,862	598,084
Parts and accessories for trucks and buses, 8 percent	133,042	159,287
Pistols and revolvers, 10 percent	12,743	13,352
Fishing rods, creels, etc., 10 percent	22,094	25,416
Bows and arrows, 11 percent	4,661	4,376
Firearms (other than pistols and revolvers), shells and cartridges, 11 percent	55,747	54,839
Other [24]	493	2
Retailer's excise taxes, total	**430,037**	**480,602**
Noncommercial aviation gasoline, 3 cents per gallon	10,677	10,390
Noncommercial aviation fuel other than gasoline, 7 cents per gallon	29,106	30,014
Diesel and special motor fuels, 4 cents per gallon (in some instances 2 cents per gallon)	390,238	440,190
Other [24]	15	8
Miscellaneous excise taxes, total	**3,159,372**	**3,165,171**
Telephone and teletypewriter exchange services [25]	1,879,268	1,708,778
Transportation of persons by air, 8 percent (which was increased from 5 percent effective July 1, 1970)	832,218	957,251
Transportation of property by air, 5 percent	45,795	55,147
Use of international air-travel facilities, $3 per person	54,196	56,296
Sugar, approximately half-cent per pound [26]	772	14
Coin-operated gaming devices, $250 per device per year	6,425	6,563
Wagering taxes:		
Occupational tax, $500 per year	1,046	776
Wagers, 2 percent of amount waged	5,117	6,632
Use tax on highway vehicles weighing over 26,000 pounds, $3 per 1,000 pounds per year (installment privileges permitted)	219,912	226,209
Use tax on civil aircraft, $25 per year with an additional 2 cents per pound on nonturbine engine powered over 2,500 pounds or 3½ cents per pound on turbine engine powered	21,601	22,786
Firearms transfer and occupational taxes [27]	342	569
Interest equalization [28]	1,436	473
Foreign insurance	28,128	38,917
Exempt organizations, total	62,277	80,631
Net investment income, 4 percent	59,659	78,592
Self dealing, 5 percent on self-dealer, lesser of $10,000 or 2½ percent on foundation manager	310	212
Excess business holdings, 5 percent on foundation	9	3
Taxable expenditures, 10 percent on foundation, lesser of $5,000 or 2½ percent on foundation	95	103
Failure to timely file certain information returns, $10 per day up to a maximum of $5,000	952	912
Failure to distribute income, 15 percent of undistributed income	950	809
Investments which jeopardize charitable purpose, 5 percent on foundation, lesser of $5,000 or 5 percent on foundation manager	102	
Employee pension plans, total	712	2,067
Excess contributions to an IRA, 6 percent of excess amount	479	1,732
Tax on underdistributions from an IRA, 50 percent of underdistribution	—	16
Prohibited transactions, 5 percent of prohibited transaction	232	216
Tax on excess contributions to an HR-10 Plan, 6 percent of excess amount	—	1
Failure to meet funding standards, 5 percent of funding deficiency		25
Tax on excess contributions to custodial account, 6 percent of excess amount	—	74
Failure to file statement required by section 6047 or 6058, $10 per day up to $5,000	—	2
Other [24]	127	41
Unclassified excise taxes	**273,403**	**313,118**

Table 4.—Internal revenue collections by principal sources, fiscal years 1940 through 1977 (In thousands of dollars)

Fiscal year	Total internal revenue collections	Income and profits taxes: Total	Income and profits taxes: Corporation income and profits taxes [2 17]	Income and profits taxes: Individual income taxes [3 9 14 15]	Employment taxes [3 15]	Estate and gift taxes [22]	Alcohol taxes [14]	Tobacco taxes [14]	Manufacturers excise taxes	All other taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1940	5,340,452	2,129,609	1,147,592	982,017	833,521	360,071	624,253	608,518	447,088	337,392
1941	7,370,108	3,471,124	2,053,469	1,417,655	925,856	407,058	820,056	698,077	617,373	430,564
1942	13,047,859	8,006,884	4,744,083	3,262,800	1,185,362	432,540	1,048,517	780,982	771,902	821,682
1943	22,371,386	16,298,888	9,668,956	6,629,932	1,498,705	447,496	1,423,646	923,857	504,746	1,274,048
1944	40,121,760	33,027,802	14,766,796	18,261,005	1,738,372	511,210	1,818,775	988,483	503,462	1,733,655
1945	43,800,388	35,061,526	16,027,213	19,034,313	1,779,177	643,055	2,309,866	932,145	782,511	2,292,108
1946	40,672,097	31,258,138	12,553,602	18,704,536	1,700,828	676,832	2,526,165	1,165,519	922,671	2,421,944
1947	39,108,386	29,019,756	9,676,459	19,343,297	2,024,365	779,291	2,474,762	1,237,768	1,425,260	2,147,184
1948	41,854,542	31,172,191	10,174,410	20,997,781	2,381,342	899,345	2,265,327	1,300,260	1,649,234	2,206,823
1949	40,463,125	29,605,491	11,553,669	18,051,822	2,476,113	796,536	2,210,607	1,321,875	1,771,533	2,280,969
1950	38,957,132	28,007,659	10,854,351	17,153,308	2,644,575	706,227	2,219,202	1,328,464	1,836,053	2,214,951
1951	50,445,686	37,394,879	14,387,569	22,997,309	3,627,479	729,730	2,546,808	1,380,396	2,383,677	2,392,719
1952	65,009,586	50,741,017	21,466,910	29,274,107	4,464,264	833,147	2,549,120	1,565,162	2,348,943	2,507,933
1953	69,686,535	54,130,732	21,594,515	32,536,217	4,716,403	891,284	2,780,925	1,654,911	2,862,788	2,647,492
1954	69,919,991	54,360,014	21,546,322	32,813,691	5,107,623	935,121	2,783,012	1,580,229	2,689,133	2,464,859
1955	66,288,682	49,914,826	18,264,720	31,650,106	6,219,665	936,267	2,742,840	1,571,213	2,885,016	2,018,898
1956	75,112,649	56,636,164	21,298,522	35,337,642	7,295,784	1,171,237	2,920,574	1,613,497	3,456,013	2,019,380
1957	80,171,971	60,560,425	21,530,653	39,029,772	7,580,522	1,377,999	2,973,195	1,674,050	3,761,925	2,243,856
1958	79,978,476	59,101,874	20,533,316	38,568,559	8,644,386	1,410,925	2,946,461	1,734,021	3,974,135	2,166,675
1959	79,797,973	58,826,254	18,091,509	40,734,744	8,853,744	1,352,982	3,002,096	1,806,816	3,958,789	1,997,292
1960	91,774,803	67,125,126	22,179,414	44,945,711	11,158,589	1,626,348	3,193,714	1,931,504	4,735,129	2,004,394
1961	94,401,086	67,917,941	21,764,940	46,153,001	12,502,451	1,916,392	3,212,801	1,991,117	4,896,802	1,963,582
1962	99,440,839	71,945,305	21,295,711	50,649,594	12,708,171	2,035,187	3,341,282	2,025,736	5,120,340	2,264,817
1963	105,925,395	75,323,714	22,336,134	52,987,581	15,004,486	2,167,457	3,441,656	2,079,237	5,610,309	2,278,536
1964	112,260,257	78,891,218	24,300,863	54,590,354	17,002,504	2,416,303	3,577,499	2,052,545	6,020,543	2,299,645
1965	114,434,634	79,792,016	26,131,334	53,660,683	17,104,308	2,745,532	3,772,634	2,148,594	6,418,145	2,453,406
1966	128,879,961	92,131,794	30,834,243	61,297,552	20,256,133	3,093,922	3,814,378	2,073,956	5,613,869	1,895,909
1967	148,374,815	104,288,420	34,917,825	69,370,595	26,958,241	3,014,406	4,075,723	2,079,869	5,479,347	2,479,609
1968	153,636,838	108,148,565	29,896,520	78,252,045	28,085,898	3,061,979	4,287,237	2,122,277	5,713,973	2,196,909
1969	187,919,560	135,778,052	38,337,646	97,440,406	33,068,657	3,530,065	4,555,560	2,137,585	6,501,146	2,348,495
1970	195,722,096	138,688,568	35,036,983	103,651,585	37,449,188	3,680,076	4,746,382	2,094,212	6,683,061	2,380,609
1971	191,547,198	131,072,374	30,319,953	100,752,421	39,918,590	3,784,283	4,800,482	2,206,585	6,684,799	3,179,985
1972	209,855,737	143,804,732	34,925,546	108,879,186	43,714,001	5,489,969	5,110,001	2,207,273	5,728,657	3,801,104
1973	237,787,204	164,157,315	39,045,309	125,112,006	52,081,709	4,975,862	5,149,513	2,276,951	5,395,750	3,750,104
1974	268,952,254	184,648,094	41,744,444	142,903,650	62,093,632	5,100,675	5,358,477	2,437,005	5,742,154	3,572,217
1975	293,822,726	202,146,097	45,746,680	156,399,437	70,140,809	4,688,079	5,350,856	2,315,090	5,516,611	3,865,182
1976	302,519,792	205,751,753	46,782,956	158,968,797	74,202,853	5,307,468	5,427,722	2,487,894	5,486,106	3,855,998
TQ 1976	75,462,780	49,567,484	9,808,905	39,758,579	19,892,041	1,485,247	1,305,841	622,821	1,543,339	1,046,007
1977	356,139,417	246,805,067	60,049,804	186,755,263	86,076,316	7,425,325	5,406,633	2,398,501	6,068,682	3,958,893

Footnotes for Tables 1-4

* Less than $500.
Revised.

1. The receipts in the various States do not indicate the federal tax burden of each since, in many instances, taxes are collected in one State from residents of another State. For example, withholding taxes reported by employers located near State lines may include substantial amounts withheld from salaries of employees who reside in neighboring States.

2. Includes taxes on unrelated business income of exempt organizations.
3. Collections of individual income tax not withheld include old-age, survivors, disability, and hospital insurance taxes on self-employed income (SECA). Similarly, the collections of individual income tax withheld are reported in combined amounts with old-age, survivors, disability, and hospital insurance taxes (FICA) on salaries and wages. Estimated separate national totals for individual income tax and for old-age, survivors, disability, and hospital insurance taxes are shown in the text table on page . .and are used in obtaining national totals for individual income taxes and employment taxes in Table 4.

4. Self-employment tax and taxes imposed by the Federal Insurance Contributions Act are applicable with respect to Guam and American Samoa. Amounts of such taxes collected in Guam and American Samoa are combined with similar taxes reported for Office of International Operations—Other.

5. Includes Fiduciary income tax collections of $1.1 billion.

6. Beginning with fiscal year 1957, the United States total is adjusted to exclude withheld individual income taxes transferred to the Government of Guam in accordance with the provisions of Public Law 630, approved Aug. 1, 1950 (64 Stat. 392). This adjustment amounted to $19.7 million for 1977.

7. Includes adjustment of $196,376,000 made by the Department of the Treasury.

8. This district is designated to report all revenue collections received from taxpayers residing outside of the area serviced by its Internal Revenue Service Center.

9. Partial collections only. Does not include Federal tax deposit payments made after November 30, 1976. Under a new processing system based on Federal Reserve Bank location, such payments were reported with Newark, New Jersey for Puerto Rico and with Newark, New Jersey or San Francisco, California collections for OIO—Other.

10. Tax payments made to banks, under the Federal tax deposit system are included in the internal revenue collections for the period in which the Federal tax deposit is purchased. However, such payments are not classified by internal revenue districts (nor by tax subclasses to which excise tax payments relate) until the Federal tax deposit payment is applied to the taxpayer's liability from tax returns filed.

11. Represents credits allowable on income tax returns for certain gasoline and lubricating oil tax payments and for excess payments under the Federal Insurance Contribution Act (FICA).

12. Designations by taxpayers of a portion of their taxes to the Presidential Election Campaign Fund are not collections, as such, because they do not affect taxpayer liability. Transfers of amounts to this fund are made on a national basis only and, therefore, have no affect on district and regional collection data.

13. Represents amounts offset against outstanding tax liabilities other than those for Forms 1040 and 1040A on which the credits are claimed.

14. Amounts of internal revenue taxes collected on Puerto Rican products transported to the United States or consumed on the island (less refunds, drawbacks, and expenses) are covered into the Treasury of Puerto Rico under provisions of secs. 7652(a)(3) and 5314(a)(4) of the Internal Revenue Code of 1954. The gross amounts are included in overall collections results (Tables 1 through 4).

15. Refer to Table 3 for components.

16. The Congressional Budget and Impoundment Act of 1974 (P.L. 93-344) established a new fiscal period (October 1 through September 30) effective with fiscal year 1977. For comparative purposes, 1976 data are for the period October 1, 1975, through September 30, 1976.

17. Corporation income tax rates. Effective January 1, 1965, first $25,000 of net income, normal tax of 22 percent, net income in excess of $25,000 combined normal and surtax of 48 percent. Normal tax and surtax also apply to net income derived by certain exempt organizations from unrelated trade or business. Effective January 1, 1968, a 10 percent per annum surcharge was added to the tax (Public Law 90-364). The 10 percent per annum surcharge was extended to December 31, 1969, by Public Law 91-53, extended to June 30, 1970, by Public Law 91-172 at a 5 percent annual rate, and then discontinued. Under the Tax Reduction Act of 1975 (P.L. 94-12), effective for 1975 returns, surtax exemption increased to $50,000 and normal tax reduced to 20 percent on first $25,000 of taxable income. These changes were extended by The Revenue Adjustment Act of 1975 (P.L. 94-164) to June 30, 1976, for 1976 returns at rates designed to achieve the half year extension. The lower rates and higher surtax exemption were extended through 1977 by the Tax Reform Act of 1976 (P.L. 94-455).

18. Rates of tax are as follows: Individual income tax: Effective January 1, 1965, graduated rates from 14 percent to 70 percent of taxable income. A 10 percent per annum surcharge added by Public Law 90-364, effective April 1, 1968, for individuals, was extended to December 31, 1969, at the same annual rate (Public Law 91-53), extended to June 30, 1970 (Public Law 91-172) at a 5 percent annual rate, and then discontinued. Includes SECA taxes of 7.9 percent on net earnings up to $15,300 for 1976 and to $16,500 for 1977.

19. Rates of tax are as follows: Income Tax graduated withholding on wages in excess of exemptions: Public Law 89-368, effective July 1, 1967, 14 to 33 percent; Public Law 91-172, effective January 1, 1970, 14 to 25 percent; 14 to 36 percent effective January 16, 1972, under Public Law 92-178; 16 to 36 percent, effective April 30, 1975, under Public Law 94-12 and 94-164; 15 to 36 percent, effective June 1, 1977, under Public Law 95-30. A combined FICA tax rate of 11.7 percent was in effect on salaries and wages up to $15,300 for calendar year 1976 and $16,500 for 1977.

20. Consists of regular railroad retirement combined tax rate of 21.2 percent for calendar years 1976 and 1977. Tax applies to employers (15.35%) and employees (5.85%) and is imposed on taxable portion of wages (limited to first $1,275 of monthly taxable compensation for 1976 and $1,375 for 1977). Further includes railroad employee representatives tax of 21.2 percent for calendar years 1976 and 1977 on taxable portion of compensation received. In addition, a supplemental tax levied quarterly by the Railroad Retirement Board is imposed on employers and employee representatives based on man-hours worked.

21. Employers of one or more persons in each of 20 calendar weeks or paid wages of $1,500 or more in any calendar quarter taxed 3.2 percent, effective January 1, 1974, and 3.4 percent, effective January 1, 1977, on taxable portion of wages up to $4,200. This tax is reduced by credits for unemployment contributions paid to States up to 2.7 percent of FUTA tax.

22. Prior to January 1, 1977, estate tax rates were graduated from 3 percent on the first $5,000 of net estate in excess of a $60,000 exemption to 77 percent on portion over $10,000,000; gift taxes were three-fourths of the estate tax schedule for corresponding brackets with a $30,000 exemption subject to a $3,000 annual exclusion for each donee. Beginning January 1, 1977, the separate rates for estates and gifts were replaced by unified rates of tax graduated from 18 percent to 70 percent. The separate exemption amounts were replaced by a unified credit of $47,500 to be phased in over a 5 year period ($30,000 credit for 1977).

23. Taxes on passenger automobiles and light trucks repealed December 11, 1971, by the Revenue Act of 1971.

24. Includes delinquent taxes on items repealed by Public Laws 87-456, 88-36, and 89-44.

25. Rate was reduced from 8 percent to 7 percent on January 1, 1975, to 6 percent on January 1, 1976 and to 5 percent January 1, 1977 (Public Law 91-614).
8
7

26. Terminated effective June 30, 1975.

27. Transfers of machine guns, short-barreled firearms, silencers, etc., $200 each; certain guns with combination shotguns and rifle barrels, and other special types of firearms, $5 each. Occupational taxes are levied on manufacturers, importers, or dealers in firearms and are included in the amounts shown.

28. Legislative authority expired June 30, 1974.

29. This amount represents an overstatement to the Presidential Election Fund corrected after the close of the fiscal year.

Table 5.—Amount of Internal Revenue refunds including interest (in thousands of dollars) (excluding tax rebates)[1]

Internal revenue regions, districts, States and other areas (States represented by single districts indicated in parentheses; totals for other States shown at bottoms of table)		Individual income and employment taxes						
		Total[2]	Corporation income	Excessive prepayment	Other	Estate	Gift	Excise[3]
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, Total		**36,493,695**	**5,423,034**	**29,255,379**	**1,416,344**	**102,955**	**6,254**	**289,929**
North-Atlantic Region		**5,101,911**	**870,229**	**4,085,719**	**107,242**	**21,895**	**626**	**16,202**
Albany	(See (c) below)	271,366	17,980	248,215	4,371	675	38	87
Augusta	(Maine)	134,911	11,774	119,543	3,057	446	13	79
Boston	(Massachusetts)	924,563	122,602	780,900	17,021	2,262	77	1,701
Brooklyn	(See (c) below)	1,035,419	65,488	942,691	17,063	3,774	97	6,308
Buffalo	(See (c) below)	696,394	73,030	609,307	10,702	1,944	77	1,335
Burlington	(Vermont)	55,200	3,520	49,817	1,679	147	1	35
Hartford	(Connecticut)	642,045	142,453	482,240	11,382	2,748	154	3,067
Manhattan	(See (c) below)	1,070,279	397,785	624,565	35,034	9,330	155	3,410
Portsmouth	(New Hampshire)	124,480	14,556	105,175	4,307	398	8	36
Providence	(Rhode Island)	147,254	21,041	123,266	2,626	171	6	144
Mid-Atlantic Region		**5,242,475**	**913,931**	**4,172,415**	**102,814**	**13,346**	**1,015**	**38,954**
Baltimore	(Maryland & D.C.)	936,471	105,735	801,356	20,613	3,838	62	4,867
Newark	(New Jersey)	1,346,636	190,196	1,110,740	26,007	4,146	220	15,326
Philadelphia	(See (e) below)	1,224,992	240,845	942,843	25,438	2,600	167	13,100
Pittsburgh	(See (e) below)	895,230	290,874	589,963	12,364	1,273	495	1,241
Richmond	(Virginia)	729,525	56,169	652,327	16,379	999	62	3,589
Wilmington	(Delaware)	108,621	30,112	75,186	1,993	490	9	831
Southeast Region		**4,312,840**	**631,080**	**3,513,124**	**132,819**	**12,088**	**1,058**	**22,669**
Atlanta	(Georgia)	717,883	82,210	601,630	23,133	1,077	94	9,739
Birmingham	(Alabama)	454,149	49,986	389,660	12,055	2,155	142	150
Columbia	(South Carolina)	328,636	33,289	288,080	6,480	387	35	365
Greensboro	(North Carolina)	651,942	93,562	538,284	15,719	889	113	3,374
Jackson	(Mississippi)	231,622	18,035	203,068	9,842	396	83	199
Jacksonville	(Florida)	1,304,624	255,659	993,396	48,099	5,575	515	1,379
Nashville	(Tennessee)	623,984	98,339	499,006	17,491	1,609	76	7,463
Central Region		**5,102,858**	**668,281**	**4,265,524**	**132,704**	**7,850**	**669**	**27,821**
Cincinnati	(See (d) below)	791,740	154,107	618,878	14,500	1,573	48	2,635
Cleveland	(See (d) below)	1,178,348	224,309	901,593	49,035	1,743	266	1,402
Detroit	(Michigan)	1,642,100	163,956	1,431,933	28,038	1,999	174	15,999
Indianapolis	(Indiana)	803,857	67,304	709,797	20,652	1,783	132	4,190
Louisville	(Kentucky)	440,509	38,430	383,456	14,763	552	42	3,266
Parkersburg	(West Virginia)	246,304	20,175	219,867	5,716	210	7	329
Midwest Region		**4,916,973**	**810,365**	**3,697,912**	**161,904**	**16,269**	**668**	**29,857**
Aberdeen	(South Dakota)	77,737	8,038	62,292	7,081	232	4	90
Chicago	(See (b) below)	1,666,350	317,900	1,298,508	40,234	3,785	200	5,724
Des Moines	(Iowa)	381,783	49,826	304,865	21,905	4,208	41	939
Fargo	(North Dakota)	78,546	5,840	65,051	7,269	168	26	191
Milwaukee	(Wisconsin)	676,531	98,271	558,417	15,830	2,196	137	1,681
Omaha	(Nebraska)	225,004	36,608	168,947	18,414	595	48	392
St. Louis	(Missouri)	772,682	165,700	563,305	22,578	2,692	70	18,337
St. Paul	(Minnesota)	611,519	91,249	504,409	13,207	1,146	98	1,411
Springfield	(See (b) below)	426,821	36,933	872,118	15,386	1,247	44	1,092
Southwest Region		**4,168,020**	**589,633**	**3,383,301**	**170,864**	**13,896**	**1,303**	**9,025**
Albuquerque	(New Mexico)	160,018	17,049	137,384	5,095	215	186	90
Austin	(See (f) below)	1,165,974	174,463	948,578	36,513	5,079	139	1,203
Cheyenne	(Wyoming)	70,406	8,101	58,246	3,666	314	2	78
Dallas	(See (f) below)	790,198	120,925	621,209	40,829	2,388	627	4,221
Denver	(Colorado)	460,457	60,110	378,641	20,025	1,372	55	254
Little Rock	(Arkansas)	236,286	25,407	200,011	10,218	286	177	187
New Orleans	(Louisiana)	555,833	73,655	461,953	17,657	1,223	35	1,309
Oklahoma City	(Oklahoma)	404,269	71,547	314,185	16,030	1,250	43	1,214
Wichita	(Kansas)	324,579	38,376	263,094	20,831	1,769	39	469
Western Region		**6,853,165**	**864,792**	**5,769,769**	**188,787**	**16,837**	**906**	**12,072**
Anchorage	(Alaska)	165,936	8,904	152,547	4,206	101	1	177
Boise	(Idaho)	125,189	15,129	101,260	8,479	161	61	99
Helena	(Montana)	112,580	13,263	91,438	7,414	350	22	94
Honolulu	(Hawaii)	177,278	37,538	135,755	3,572	296	28	90
Los Angeles	(See (a) below)	2,673,935	293,493	2,308,378	58,654	7,139	227	6,043
Phoenix	(Arizona)	368,834	39,322	317,683	11,880	758	41	49
Portland	(Oregon)	426,244	56,974	352,156	15,100	1,707	60	248
Reno	(Nevada)	128,309	6,320	115,296	4,022	470	145	56
Salt Lake City	(Utah)	192,947	15,110	172,347	5,301	105	3	81
San Francisco	(See (a) below)	1,842,959	291,336	1,495,076	47,216	4,794	199	4,337
Seattle	(Washington)	638,955	86,403	527,833	22,843	957	120	798
Office of International Operations		**216,028**	**46,039**	**149,159**	**19,071**	**764**	**7**	**987**
Puerto Rico		29,375	623	25,364	2,421	(*)	4	962
Other		186,653	45,416	123,795	16,650	764	3	25
Gasoline, lubricating oil and excess FICA credits[4]		**531,450**	—	—	**400,140**	—	—	**131,310**
Bureau of Customs		**1,029**	—	—	—	—	—	**1,029**
Earned Income Credits Offsets		**7,782**	—	**7,782**	—	—	—	—
Refunds reversals unclassified[5]		**39,363**	**28,688**	**10,675**	—	—	—	—
Totals for States not shown above								
	(a) California	4,518,893	584,829	3,803,454	105,670	11,933	426	10,380
	(b) Illinois	2,093,171	354,833	1,870,626	55,620	5,032	244	6,816
	(c) New York	3,073,458	554,283	2,424,778	67,170	15,723	367	11,140
	(d) Ohio	1,970,088	378,416	1,520,471	63,535	3,316	314	4,037
	(e) Pennsylvania	2,121,222	531,719	1,532,806	37,822	3,873	662	14,341
	(f) Texas	1,956,172	295,388	1,569,787	77,342	7,467	766	5,424

[1] Tax Year 1974 rebates totaled $4,104,538, including $68,053 interest.
[2] Figures include credits for the Federal Old Age and Survivors, Federal Disability, and Federal Hospital Insurance Funds amounting to $400,140,000
[3] Includes credits for gasoline and lubricating oil tax payments.
[4] Credits for excess payments under the Federal Insurance Contributions Act (FICA) were $400,140,000
[5] District office details were not available for refund reversals pending classification when FY 1977 books were closed
* Less than $500.

Table 6.—Number of Internal Revenue refunds issued (excluding tax rebates)[1]

Internal revenue regions, districts, States, and other areas. (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Individual income and employment taxes						
		Total	Corporation	Excessive prepayment	Other	Estate	Gift	Excise
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total		**67,726,918**	**463,177**	**64,531,066**	**2,649,467**	**29,224**	**5,633**	**48,351**
North-Atlantic Region		**9,509,431**	**71,708**	**9,076,423**	**349,606**	**5,630**	**739**	**5,323**
Albany	(See (c) below)	610,458	3,841	587,689	18,263	294	38	333
Augusta	(Maine)	335,693	2,520	320,531	12,075	167	21	379
Boston	(Massachusetts)	1,694,657	16,395	1,817,095	59,298	831	111	927
Brooklyn	(See (c) below)	2,020,676	9,341	1,951,152	57,773	1,398	113	899
Buffalo	(See (c) below)	1,434,990	10,069	1,381,547	41,726	693	100	855
Burlington	(Vermont)	146,897	1,199	138,835	6,852	53	10	148
Hartford	(Connecticut)	1,117,732	7,467	1,071,579	37,336	627	117	606
Manhattan	(See (c) below)	1,342,205	15,400	1,228,938	95,529	1,309	202	827
Portsmouth	(New Hampshire)	278,274	2,418	265,020	10,449	167	17	203
Providence	(Rhode Island)	327,849	3,058	314,237	10,307	91	10	146
Mid-Atlantic Region		**9,613,327**	**56,270**	**9,232,699**	**313,485**	**3,645**	**971**	**8,257**
Baltimore	(Maryland & D.C.)	1,729,489	9,861	1,662,576	55,476	619	209	748
Newark	(New Jersey)	2,422,434	17,256	2,318,844	83,134	1,398	178	1,624
Philadelphia	(See (e) below)	2,292,300	12,094	2,204,249	73,749	770	283	1,165
Pittsburgh	(See (e) below)	1,413,330	5,567	1,365,451	41,104	394	155	659
Richmond	(Virginia)	1,567,337	8,518	1,504,123	53,383	402	111	800
Wilmington	(Delaware)	188,437	2,984	177,456	6,639	62	35	1,261
Southeast region		**9,529,877**	**52,682**	**9,094,094**	**362,053**	**3,450**	**925**	**6,663**
Atlanta	(Georgia)	1,530,936	9,699	1,463,612	56,097	350	145	1,033
Birmingham	(Alabama)	1,020,716	5,091	978,477	36,180	212	81	675
Columbia	(South Carolina)	839,140	4,595	807,215	26,389	232	59	650
Greensboro	(North Carolina)	1,616,422	10,665	1,547,911	56,261	419	92	1,054
Jackson	(Mississippi)	594,679	3,093	568,245	22,645	115	45	536
Jacksonville	(Florida)	2,570,093	22,213	2,427,339	116,850	1,714	427	1,750
Nashville	(Tennessee)	1,357,891	7,306	1,301,295	47,831	418	76	965
Central Region		**9,436,720**	**51,341**	**9,062,065**	**313,861**	**2,959**	**488**	**5,988**
Cincinnati	(See (d) below)	1,453,352	8,311	1,397,511	46,273	384	85	788
Cleveland	(See (d) below)	1,999,538	12,837	1,924,502	60,641	600	99	959
Detroit	(Michigan)	2,879,760	16,435	2,769,758	90,968	812	117	1,672
Indianapolis	(Indiana)	1,636,030	6,219	1,567,100	60,444	684	123	1,460
Louisville	(Kentucky)	949,167	4,792	904,176	39,063	336	43	757
Parkersburg	(West Virginia)	518,773	2,747	499,038	16,474	143	19	352
Midwest Region		**9,327,169**	**67,552**	**8,804,548**	**439,935**	**5,332**	**950**	**8,852**
Aberdeen	(South Dakota)	187,181	1,662	168,634	16,414	113	21	337
Chicago	(See (b) below)	2,782,648	17,362	2,665,847	96,156	1,362	194	1,707
Des Moines	(Iowa)	801,536	6,597	736,927	56,161	696	124	1,031
Fargo	(North Dakota)	178,670	1,243	159,523	17,310	130	41	423
Milwaukee	(Wisconsin)	1,402,671	11,332	1,330,215	58,733	818	134	1,439
Omaha	(Nebraska)	456,481	4,591	415,362	35,574	344	112	498
St. Louis	(Missouri)	1,418,064	11,241	1,342,431	62,050	718	109	1,515
St. Paul	(Minnesota)	1,219,000	8,735	1,153,605	54,947	524	102	1,087
Springfield	(See (b) below)	880,918	4,769	832,004	42,590	627	113	815
Southwest Region		**8,405,770**	**51,863**	**7,965,340**	**377,647**	**2,906**	**717**	**7,497**
Albuquerque	(New Mexico)	359,955	1,989	343,268	14,304	96	38	258
Austin	(See (f) below)	2,326,628	11,438	2,223,311	89,246	712	147	1,772
Cheyenne	(Wyoming)	130,995	1,467	121,806	7,467	68	20	167
Dallas	(See (f) below)	1,590,051	9,843	1,500,596	77,042	593	150	1,827
Denver	(Colorado)	866,314	6,617	820,275	38,363	261	78	720
Little Rock	(Arkansas)	556,493	3,723	525,376	26,702	129	43	520
New Orleans	(Louisiana)	1,109,001	5,995	1,060,242	41,595	274	56	839
Oklahoma City	(Oklahoma)	787,830	5,188	741,769	39,665	393	65	750
Wichita	(Kansas)	678,503	5,403	628,697	43,261	378	120	644
Western Region		**11,613,345**	**76,025**	**11,062,099**	**461,592**	**5,116**	**816**	**7,697**
Anchorage	(Alaska)	145,611	1,091	137,426	6,855	25	3	211
Boise	(Idaho)	252,302	2,094	233,453	16,362	100	21	272
Helena	(Montana)	233,070	2,557	213,380	16,624	132	47	330
Honolulu	(Hawaii)	293,560	2,880	280,404	10,027	102	32	115
Los Angeles	(See (a) below)	4,381,958	27,752	4,196,188	153,512	2,042	266	2,198
Phoenix	(Arizona)	693,333	4,641	661,481	26,514	264	58	375
Portland	(Oregon)	850,447	6,208	807,630	35,641	300	55	613
Reno	(Nevada)	238,750	1,517	228,186	8,758	45	34	210
Salt Lake City	(Utah)	365,183	2,139	367,677	15,033	80	16	238
San Francisco	(See (a) below)	2,959,135	17,333	2,820,471	117,477	1,599	184	2,071
Seattle	(Washington)	1,179,996	7,813	1,115,803	54,789	427	100	1,064
Office of International Operations		**196,403**	**740**	**164,098**	**31,286**	**176**	**29**	**74**
Puerto Rico		40,585	17	28,127	12,431	2	4	4
Other		155,818	723	135,971	18,855	174	25	70
Refund reversals unclassified[2]		**94,876**	**25,196**	**69,680**	—	—	—	—
Totals for States not shown above								
	(a) California	7,341,093	45,085	7,016,659	270,989	3,641	450	4,269
	(b) Illinois	3,663,566	22,151	3,497,851	138,746	1,989	307	2,522
	(c) New York	5,408,329	38,651	5,149,326	213,291	3,694	453	2,914
	(d) Ohio	3,452,990	21,148	3,322,013	106,914	984	184	1,747
	(e) Pennsylvania	3,705,630	17,651	3,569,700	114,853	1,184	438	1,824
	(f) Texas	3,916,679	21,281	3,723,907	166,290	1,305	297	3,599

[1] The number of 1974 tax year rebates was 168,392.
[2] District office details were not available for refund reversals pending classification when FY 1977 books were closed

Table 7.—Number of returns filed, by Internal Revenue regions, districts, States, and other areas.

Internal revenue regions, districts, States and other areas (States represented by single districts indicated in parentheses; total for other States shown at bottom of table).		Total tax Returns (1)	Individual income tax (2)	Declaration of estimated tax (3)	Fiduciary (4)	Partnership (5)	Corporation income tax (6)	Estate tax (7)
United States, total		**133,684,546**	**85,611,191**	**8,088,480**	**1,662,702**	**1,197,203**	**2,247,111**	**248,316**
North-Atlantic Region		**18,964,991**	**11,961,154**	**1,194,159**	**337,955**	**133,669**	**450,660**	**42,778**
Albany	(See (c) below)	1,146,536	766,772	71,789	9,473	7,652	21,133	2,945
Augusta	(Maine)	652,652	415,780	39,218	8,836	3,260	11,062	1,370
Boston	(Massachusetts)	3,606,754	2,364,594	222,458	89,442	17,839	74,660	7,979
Brooklyn	(See (c) below)	3,956,556	2,595,769	258,090	22,062	26,932	103,276	9,428
Buffalo	(See (c) below)	2,616,574	1,777,863	158,314	34,469	18,668	42,702	6,815
Burlington	(Vermont)	315,878	189,490	20,478	4,263	2,570	6,369	592
Hartford	(Connecticut)	2,254,102	1,428,537	152,912	42,096	18,516	43,570	4,944
Manhattan	(See (c) below)	3,267,787	1,676,597	204,158	112,228	32,239	121,898	6,656
Portsmouth	(New Hampshire)	543,807	348,519	33,563	5,942	3,111	10,201	1,071
Providence	(Rhode Island)	604,345	397,233	33,179	9,144	2,882	15,769	977
Mid-Atlantic Region		**18,759,914**	**12,020,679**	**1,120,982**	**262,764**	**137,214**	**309,799**	**32,034**
Baltimore	(Maryland & D.C.)	3,206,274	2,128,230	192,125	44,962	23,106	48,487	4,936
Newark	(New Jersey)	4,759,447	3,054,841	300,639	49,805	37,810	123,391	9,668
Philadelphia	(See (e) below)	4,369,916	2,884,903	285,821	91,869	32,963	61,491	7,973
Pittsburgh	(See (e) below)	2,575,452	1,760,473	160,220	38,593	19,851	26,558	3,709
Richmond	(Virginia)	2,957,130	1,955,897	161,569	27,791	21,388	42,042	5,014
Wilmington	(Delaware)	891,695	236,335	20,608	9,724	2,096	7,830	734
Southeast Region		**18,880,492**	**12,042,705**	**1,069,442**	**168,151**	**148,225**	**309,732**	**29,787**
Atlanta	(Georgia)	2,846,597	1,853,970	124,869	21,702	21,531	44,399	3,146
Birmingham	(Alabama)	1,883,705	1,245,320	87,091	13,928	12,949	24,794	1,763
Columbia	(South Carolina)	1,564,655	1,039,371	76,867	8,856	11,007	21,926	2,046
Greensboro	(North Carolina)	3,153,079	2,065,315	156,883	23,426	23,984	48,551	4,247
Jackson	(Mississippi)	1,168,034	750,287	53,294	5,636	10,457	15,756	1,175
Jacksonville	(Florida)	5,677,423	3,393,803	450,861	75,907	43,296	124,911	14,210
Nashville	(Tennessee)	2,586,799	1,694,639	119,477	18,696	24,601	29,395	3,200
Central Region		**17,584,779**	**11,737,253**	**1,014,296**	**197,773**	**165,219**	**260,825**	**28,407**
Cincinnati	(See (d) below)	2,744,719	1,824,566	159,084	33,352	27,182	37,931	4,639
Cleveland	(See (d) below)	3,775,306	2,510,500	217,962	46,156	34,073	59,665	6,728
Detroit	(Michigan)	5,189,721	3,508,297	284,732	56,209	56,705	78,236	6,444
Indianapolis	(Indiana)	3,095,451	2,069,503	194,985	36,585	20,549	45,632	6,464
Louisville	(Kentucky)	1,833,364	1,195,429	105,330	16,607	18,399	25,527	2,700
Parkersburg	(West Virginia)	946,218	628,958	52,205	8,864	8,331	13,834	1,432
Midwest Region		**19,193,466**	**12,245,427**	**1,245,159**	**290,897**	**173,968**	**319,594**	**49,695**
Aberdeen	(South Dakota)	442,366	262,251	27,261	4,235	4,989	8,484	1,346
Chicago	(See (b) below)	5,223,582	3,509,168	323,517	99,763	49,247	90,215	11,862
Des Moines	(Iowa)	1,905,852	1,143,703	141,276	31,574	19,755	31,585	7,037
Fargo	(North Dakota)	443,042	255,832	25,398	4,237	4,745	6,389	1,565
Milwaukee	(Wisconsin)	2,887,962	1,833,900	189,031	47,500	21,800	51,307	7,312
Omaha	(Nebraska)	1,063,512	627,793	70,441	13,135	11,330	18,924	3,470
St. Louis	(Missouri)	2,898,980	1,841,195	192,683	40,188	23,511	52,117	5,082
St. Paul	(Minnesota)	2,476,466	1,585,545	143,165	27,381	21,454	42,114	6,151
Springfield	(See (b) below)	1,852,304	1,186,040	132,387	22,924	17,137	20,459	5,870
Southwest Region		**16,952,347**	**10,677,115**	**941,721**	**157,409**	**176,403**	**258,387**	**24,954**
Albuquerque	(New Mexico)	683,277	443,588	34,062	5,288	6,434	9,710	761
Austin	(See (f) below)	4,438,074	2,886,285	218,628	41,001	45,905	56,565	5,362
Cheyenne	(Wyoming)	283,302	166,746	17,181	2,420	3,383	5,811	490
Dallas	(See (f) below)	3,386,466	2,074,924	190,115	40,001	45,063	47,350	4,711
Denver	(Colorado)	1,750,435	1,087,806	101,391	21,305	21,500	33,645	2,808
Little Rock	(Arkansas)	1,156,351	724,611	65,734	7,174	11,078	17,765	1,373
New Orleans	(Louisiana)	2,087,381	1,348,955	108,025	8,861	13,196	38,493	2,021
Oklahoma City	(Oklahoma)	1,646,962	1,024,671	100,295	14,641	15,919	26,113	3,065
Wichita	(Kansas)	1,520,099	919,529	106,290	16,718	13,925	22,935	4,365
Western Region		**22,664,207**	**14,509,965**	**1,446,493**	**247,019**	**262,216**	**333,504**	**39,680**
Anchorage	(Alaska)	260,318	164,326	7,025	851	3,606	4,170	178
Boise	(Idaho)	529,594	325,342	30,069	3,672	6,272	9,164	896
Helena	(Montana)	535,815	309,725	33,572	4,666	6,073	9,524	1,272
Honolulu	(Hawaii)	560,389	364,532	33,734	5,117	5,886	12,291	168
Los Angeles	(See (a) below)	8,334,438	5,384,899	534,997	95,783	104,531	122,909	16,471
Phoenix	(Arizona)	1,334,036	865,821	89,010	16,933	11,916	22,068	2,100
Portland	(Oregon)	1,728,118	1,087,940	103,727	17,074	18,681	26,542	2,879
Reno	(Nevada)	440,220	291,726	21,044	4,782	4,533	8,408	441
Salt Lake City	(Utah)	715,004	464,304	31,106	9,040	8,703	13,905	810
San Francisco	(See (a) below)	5,843,063	3,738,397	412,176	63,820	66,570	67,951	10,756
Seattle	(Washington)	2,383,212	1,512,953	150,033	25,301	25,463	36,572	3,711
Office of International Operations		**684,350**	**416,893**	**56,226**	**894**	**289**	**4,610**	**981**
Puerto Rico		261,443	76,926	11,421	45	26	237	22
Other		422,907	339,967	44,805	649	263	4,373	959
Totals for States not shown above								
	(a) California	14,177,501	9,123,296	947,173	159,583	171,101	190,860	27,227
	(b) Illinois	7,075,886	4,695,208	455,904	122,687	66,384	110,674	17,732
	(c) New York	10,987,453	6,187,001	692,351	178,232	85,491	289,009	25,845
	(d) Ohio	6,520,025	4,335,066	377,046	79,508	61,235	97,596	11,367
	(e) Pennsylvania	6,945,368	4,845,376	446,041	130,482	52,814	88,049	11,682
	(f) Texas	7,824,560	4,961,209	408,743	81,002	90,968	103,915	10,073

Column Contents:

(2) Includes Forms 1040, 1040A, 1040NR, 1040SS-PR, 1040C, and 1042.
(3) Form 1040ES
(4) Form 1041
(5) Form 1065
(6) Includes Forms 1120, 1120 Specials (Sched. PH, 1120L, 1120M), 1120S, 1120-DISC, 1120POL, and 1120F.
(7) Includes Forms 706 and 706NA.
(8) Form 709.
(9) Includes Forms 940, 940PR, 941, 941PR & SS, 941E, 941M, 942, 942PR, 943, 943PR, CT-1, and CT-2.
(10) Includes Forms 990, 990PF, 990T, 990C, 5227, and 4720.
(11) Includes Forms 5500, 5500C, 5500K, 4848, 4848A, and 990P.
(12) Includes Form 7, 8, 11, 4705, 4706, 4707, 4708, Alcohol Excise Tax Returns, and Tobacco Excise Tax Returns.
(13) Includes Forms 720, 720M, 730, 2290, 11B, 11C, 3780, 3780A, and 4638.
(14) Includes Forms 1040X, 1120X, 2668, 4868, 7004, Terr. 1120L & M, 7005, 990AR, 4578, 5300 Series, 5329, 1041A, and 2438.

Table 7.—Number of returns filed, by Internal Revenue regions, districts, States, and other areas.—Continued

Internal revenue regions, districts, States and other areas (States represented by single districts indicated in parentheses; total for other States shown at bottom of table).		Gift tax (8)	Employment taxes (9)	Exempt Organization (10)	Employee Plans (11)	ATF Returns (12)	Excise taxes (13)	Supplemental documents (14)
United States, total		**386,802**	**25,023,074**	**554,166**	**1,321,009**	**557,914**	**909,853**	**5,876,725**
North-Atlantic Region		**55,257**	**3,595,918**	**15,126**	**210,327**	**68,867**	**84,541**	**814,580**
Albany	(See (c) below)	2,753	204,496	—	7,798	6,468	7,945	37,312
Augusta	(Maine)	1,776	132,976	—	5,110	4,480	7,526	21,238
Boston	(Massachusetts)	10,529	615,691	15,126	34,376	9,373	16,178	128,509
Brooklyn	(See (c) below)	7,685	687,930	—	48,119	9,376	10,663	177,226
Buffalo	(See (c) below)	6,512	428,387	—	24,495	12,945	15,833	89,570
Burlington	(Vermont)	942	72,124	—	2,537	2,172	2,420	11,921
Hartford	(Connecticut)	9,014	383,730	—	22,483	11,247	9,766	127,287
Manhattan	(See (c) below)	13,354	850,903	—	56,597	8,126	6,962	176,069
Portsmouth	(New Hampshire)	1,504	105,532	—	4,480	2,703	4,806	22,379
Providence	(Rhode Island)	1,188	114,149	—	4,332	1,977	2,440	21,075
Mid-Atlantic Region		**43,754**	**3,229,350**	**451,465**	**215,684**	**50,863**	**98,098**	**787,228**
Baltimore	(Maryland & D.C.)	8,387	540,240	—	65,127	7,027	13,695	129,952
Newark	(New Jersey)	11,100	884,521	—	50,465	13,667	20,287	203,253
Philadelphia	(See (e) below)	9,748	744,057	—	46,119	10,034	23,893	171,025
Pittsburgh	(See (e) below)	4,744	418,940	—	25,877	7,509	17,806	91,172
Richmond	(Virginia)	8,602	568,041	—	22,159	11,642	19,914	113,071
Wilmington	(Delaware)	1,173	73,551	451,465	5,937	984	2,503	78,755
Southeast Region		**55,018**	**3,929,730**	**—**	**100,240**	**78,653**	**130,598**	**818,211**
Atlanta	(Georgia)	8,133	617,915	—	16,107	10,469	20,705	103,231
Birmingham	(Alabama)	5,160	404,496	—	8,103	7,529	14,701	57,871
Columbia	(South Carolina)	3,845	329,121	—	6,761	7,620	13,267	44,168
Greensboro	(North Carolina)	8,428	656,918	—	19,900	12,476	23,327	109,624
Jackson	(Mississippi)	2,919	265,563	—	5,101	6,683	11,954	37,309
Jacksonville	(Florida)	21,084	1,150,498	—	29,017	21,318	25,878	318,540
Nashville	(Tennessee)	5,449	497,219	—	15,251	10,538	20,866	147,468
Central Region		**42,055**	**2,979,601**	**55,386**	**157,015**	**77,426**	**122,537**	**746,784**
Cincinnati	(See (d) below)	6,444	446,988	27,036	23,343	10,028	14,732	129,414
Cleveland	(See (d) below)	8,930	622,300	13,963	37,591	15,680	22,934	176,924
Detroit	(Michigan)	11,399	838,563	14,387	49,963	21,953	33,449	229,364
Indianapolis	(Indiana)	8,878	524,953	—	30,766	12,920	30,379	113,837
Louisville	(Kentucky)	4,481	363,951	—	10,489	10,429	13,676	66,346
Parkersburg	(West Virginia)	1,923	183,026	—	4,863	6,416	7,467	26,899
Midwest Region		**72,171**	**3,431,817**	**—**	**238,252**	**101,074**	**167,971**	**807,401**
Aberdeen	(South Dakota)	2,630	95,702	—	9,536	3,768	7,135	16,029
Chicago	(See (b) below)	16,499	828,114	—	24,608	16,618	20,747	233,224
Des Moines	(Iowa)	9,444	381,480	—	37,368	9,629	21,253	71,548
Fargo	(North Dakota)	2,831	95,560	—	16,129	3,033	9,253	18,070
Milwaukee	(Wisconsin)	8,537	518,371	—	35,987	23,735	24,734	124,148
Omaha	(Nebraska)	8,030	219,066	—	20,153	5,531	14,842	50,777
St. Louis	(Missouri)	8,212	561,172	—	23,648	17,358	24,066	109,748
St. Paul	(Minnesota)	7,225	440,956	—	45,975	11,908	28,483	116,129
Springfield	(See (b) below)	7,763	340,376	—	24,848	9,294	17,478	67,728
Southwest Region		**56,913**	**3,441,139**	**—**	**132,010**	**67,648**	**149,703**	**848,945**
Albuquerque	(New Mexico)	1,837	138,480	—	4,523	2,419	5,641	30,534
Austin	(See (f) below)	14,052	848,243	—	29,866	32,211	28,486	231,470
Cheyenne	(Wyoming)	1,536	63,293	—	2,951	1,947	4,466	13,078
Dallas	(See (f) below)	11,257	720,921	—	29,411	10,952	32,919	178,862
Denver	(Colorado)	6,236	336,685	—	16,967	7,471	14,845	99,778
Little Rock	(Arkansas)	3,596	247,737	—	9,099	4,614	14,361	49,209
New Orleans	(Louisiana)	4,523	439,200	—	12,400	11,389	14,790	85,508
Oklahoma City	(Oklahoma)	5,512	334,436	—	13,406	9,428	17,169	82,287
Wichita	(Kansas)	8,364	312,144	—	13,387	7,217	17,006	78,219
Western Region		**60,900**	**4,181,011**	**32,189**	**267,224**	**93,117**	**155,408**	**1,035,481**
Anchorage	(Alaska)	345	46,074	—	1,143	2,278	4,558	25,782
Boise	(Idaho)	1,933	108,854	—	6,807	3,626	8,061	24,898
Helena	(Montana)	3,413	114,347	—	6,841	4,691	9,633	32,058
Honolulu	(Hawaii)	2,841	94,467	—	9,076	2,523	3,252	26,504
Los Angeles	(See (a) below)	19,100	1,521,659	17,470	110,299	21,266	40,777	344,097
Phoenix	(Arizona)	3,899	241,502	—	7,797	6,616	8,112	58,262
Portland	(Oregon)	4,838	308,992	—	17,383	7,721	17,354	115,007
Reno	(Nevada)	1,383	78,157	—	1,791	2,205	5,273	20,477
Salt Lake City	(Utah)	2,666	134,489	—	4,924	2,263	7,249	35,545
San Francisco	(See (a) below)	14,048	1,069,441	14,719	78,239	30,170	24,641	252,135
Seattle	(Washington)	6,434	462,829	—	22,924	9,758	26,498	100,736
Office of International Operations		**734**	**184,308**	**—**	**257**	**266**	**997**	**18,095**
Puerto Rico		65	172,088	—	2	242	35	334
Other		669	12,220	—	255	24	962	17,761
Totals for States not shown above								
	(a) California	33,148	2,591,300	32,189	188,538	51,436	65,418	596,232
	(b) Illinois	24,262	1,168,490	—	49,456	25,912	38,225	300,952
	(c) New York	30,304	2,171,716	—	137,006	36,915	41,403	482,177
	(d) Ohio	15,374	1,069,288	40,999	60,934	25,708	37,566	308,338
	(e) Pennsylvania	14,492	1,162,997	—	71,996	17,543	41,699	262,197
	(f) Texas	25,309	1,569,164	—	59,277	43,163	81,405	410,332

Table 8.—Internal revenue collections, costs, employees, and U.S. population, 1948 through 1977

Fiscal Year	Operating cost	Collections	Cost of collecting $100	Population (Thousands)	Tax per capita	Number of employees		
						Total	National Office	Field
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1948	183,731,060	41,864,542,295	0.44	147,208	284.39	52,143	4,662	47,481
1949	209,205,715	40,463,125,019	0.52	149,767	270.17	52,266	4,554	47,712
1950	230,408,200	38,957,131,768	0.59	152,271	255.84	55,551	4,303	51,248
1951	245,869,538	50,445,686,315	0.49	154,878	325.71	57,795	4,030	53,765
1952	271,872,192	65,009,585,560	0.42	157,553	412.62	55,370	3,842	51,528
1953	268,590,806	69,686,535,389	0.38	160,184	435.00	53,463	3,834	49,629
1954	268,969,107	69,919,990,791	0.38	163,026	428.89	51,411	2,707	48,704
1955	278,834,278	66,288,692,000	0.42	165,931	399.50	50,890	2,675	48,215
1956	299,894,710	75,112,649,000	0.40	168,903	444.71	50,682	2,583	48,099
1957	305,537,814	80,171,971,000	0.38	171,984	466.16	51,364	2,602	48,762
1958	337,428,789	79,978,476,484	0.42	174,882	457.33	50,816	2,638	48,178
1959	355,469,228	79,797,972,806	0.44	177,830	448.73	50,200	2,633	47,567
1960	363,735,359	91,774,802,823	0.40	180,671	507.96	50,199	2,702	47,497
1961	413,295,238	94,401,086,398	0.44	183,691	513.91	53,680	3,031	50,649
1962	450,080,420	99,440,839,245	0.45	186,538	533.09	56,510	3,357	53,153
1963	500,804,314	105,925,395,281	0.47	189,242	559.74	59,486	3,562	55,924
1964	549,692,131	112,260,257,115	0.49	191,889	585.03	59,357	3,753	55,604
1965	597,387,471	114,434,633,721	0.52	194,303	588.95	60,360	3,790	56,570
1966	624,861,929	128,879,961,342	0.48	196,560	655.68	61,689	3,816	57,873
1967	667,080,295	148,374,814,552	0.45	198,712	746.68	65,122	4,060	61,062
1968	699,190,304	153,638,837,665	0.46	200,706	765.48	65,177	3,939	61,238
1969	758,785,475	187,819,559,668	0.40	202,677	927.19	64,507	4,037	60,470
1970	886,159,162	195,722,096,497	0.45	204,878	955.31	68,098	4,356	63,742
1971	981,065,297	191,647,198,138	0.51	207,053	925.63	68,987	4,521	64,466
1972	1,127,390,411	209,855,736,878	0.54	208,846	1,004.83	74,086	4,823	69,263
1973	1,162,009,945	237,787,204,058	0.49	210,410	1,130.11	71,846	4,646	67,200
1974	1,312,894,661	268,952,253,663	0.49	211,901	1,269.24	78,233	4,685	73,548
1975	*1,584,711,486	293,822,725,772	0.54	213,559	1,375.84	82,266	4,960	77,306
1976	*1,667,311,669	302,519,791,922	0.56	215,142	1,406.14	85,712	4,944	80,768
1977	1,810,444,833	358,139,416,730	0.51	217,329	1,647.91	84,414	5,043	79,371

* This figure represents actual IRS operating costs for FY 1975, 1976, exclusive of reimbursements received from other agencies for services performed. While the operating cost figures for fiscal year prior to 1975 may in some cases include reimbursements, those amounts are sufficiently small so as not to alter the cost figures in column 3.

Table 9.—Number of returns examined by class of tax and by internal revenue regions, districts, and other areas

Region, service center, and district	Total	Individual	Fiduciary	Corporation	Estate	Gift	Excise	Employment	Exempt Organizations	Employee Plans
Total	2,363,739	1,892,786	10,881	167,889	42,320	11,484	84,931	135,019	9,803	8,826
North-Atlantic	382,425	304,845	1,959	36,504	8,045	2,132	11,090	14,178	1,700	1,972
Mid-Atlantic	275,545	212,620	1,609	24,612	4,692	1,655	9,141	17,803	1,669	1,744
Southeast	344,930	273,401	1,427	20,113	5,339	1,824	13,717	26,349	1,391	1,369
Central	225,757	172,598	1,169	21,018	4,734	1,032	8,718	13,497	1,240	1,751
Midwest	306,892	232,955	2,008	25,094	7,743	2,192	14,162	20,514	1,370	854
Southwest	265,670	203,149	1,007	16,681	4,794	1,297	16,207	20,376	1,482	677
Western	537,304	471,925	1,698	22,983	6,636	1,312	11,793	19,547	951	459
International Operations	25,216	21,293	4	684	337	40	103	2,755	—	—
North-Atlantic Region:										
Albany	17,712	14,637	67	851	377	196	756	828	—	—
Augusta	9,705	6,861	62	794	181	33	912	862	—	—
Boston	49,821	35,339	373	6,567	1,115	220	2,742	2,045	756	684
Brooklyn	96,054	81,605	145	5,948	1,836	373	1,748	3,511	346	542
Buffalo	42,015	33,675	247	3,321	738	219	1,453	2,362	—	—
Burlington	5,531	4,509	15	331	68	25	238	345	—	—
Hartford	31,604	24,583	354	3,065	1,166	328	847	1,261	—	—
Manhattan	87,185	64,564	604	13,712	2,306	676	1,816	2,143	598	766
Portsmouth	10,081	8,001	59	930	142	42	287	620	—	—
Providence	7,491	5,845	33	985	116	20	291	201	—	—
Andover Service Center	10,612	10,612	—	—	—	—	—	—	—	—
Brookhaven Service Center	14,614	14,614	—	—	—	—	—	—	—	—
Mid-Atlantic Region:										
Baltimore	58,411	46,521	272	3,819	816	502	1,425	3,426	946	684
Newark	75,117	57,217	333	8,095	1,262	416	2,548	4,620	247	379
Philadelphia	59,968	46,982	388	6,093	935	224	1,263	2,926	476	681
Pittsburgh	27,853	18,640	403	2,635	871	281	1,841	3,182	—	—
Richmond	39,496	30,289	152	3,299	647	194	1,785	3,130	—	—
Wilmington	4,931	3,202	61	671	161	38	279	519	—	—
Philadelphia Service Center	9,769	9,769	—	—	—	—	—	—	—	—
Southeast Region:										
Atlanta	58,818	45,630	159	3,218	618	422	2,184	5,019	800	768
Birmingham	27,097	21,001	92	1,756	245	187	1,106	2,710	—	—
Columbia	21,916	17,344	73	1,570	323	78	910	1,618	—	—
Greensboro	49,700	39,271	189	3,121	782	191	2,496	3,670	—	—
Jackson	22,862	17,493	50	1,560	260	140	1,170	2,189	—	—
Jacksonville	98,000	73,862	702	6,605	2,523	615	4,147	8,354	591	601
Nashville	34,595	26,858	162	2,283	608	191	1,704	2,789	—	—
Atlanta Service Center	16,595	16,595	—	—	—	—	—	—	—	—
Memphis Service Center	15,347	15,347	—	—	—	—	—	—	—	—
Central Region:										
Cincinnati	32,819	24,043	188	3,318	658	139	1,433	2,144	448	448
Cleveland	46,502	32,618	367	5,400	1,401	327	2,265	2,690	571	863
Detroit	69,043	55,102	263	6,751	980	281	2,176	2,829	221	440
Indianapolis	35,008	26,526	141	2,452	948	122	1,792	3,027	—	—
Louisville	24,749	19,476	135	1,938	586	126	694	1,794	—	—
Parkersburg	9,567	6,784	75	1,159	161	37	358	1,013	—	—
Cincinnati Service Center	8,069	8,069	—	—	—	—	—	—	—	—
Midwest Region:										
Aberdeen	7,215	5,591	36	339	265	137	242	605	—	—
Chicago	98,630	78,930	966	8,755	1,855	345	2,098	5,038	339	304
Des Moines	23,335	17,016	116	1,510	1,198	286	1,492	1,717	—	—
Fargo	5,413	4,135	26	207	278	101	241	425	—	—
Milwaukee	38,042	27,186	256	3,720	767	198	3,201	2,714	—	—
Omaha	15,737	10,373	98	1,214	606	375	1,349	1,722	—	—
St. Louis	46,333	33,259	131	5,310	1,016	352	2,119	3,396	497	253
St. Paul	36,005	26,932	246	2,636	897	258	1,448	2,759	534	297
Springfield	23,635	16,986	133	1,403	861	142	1,972	2,138	—	—
Kansas City Service Center	12,547	12,547	—	—	—	—	—	—	—	—
Southwest Region:										
Albuquerque	9,636	7,287	34	478	91	16	599	1,131	—	—
Austin	59,509	46,306	321	3,730	1,242	238	2,512	3,946	894	322
Cheyenne	3,401	2,666	4	215	95	34	139	248	—	—
Dallas	55,896	40,066	280	3,520	1,139	346	4,458	5,144	588	355
Denver	26,737	20,029	89	1,650	459	130	2,252	2,128	—	—
Little Rock	16,239	12,217	46	1,330	252	57	1,170	1,167	—	—
New Orleans	28,760	22,140	56	1,880	475	137	1,723	2,349	—	—
Oklahoma City	26,353	20,288	83	2,010	534	183	1,498	1,757	—	—
Wichita	24,651	17,662	94	1,868	507	158	1,856	2,506	—	—
Austin Service Center	14,488	14,488	—	—	—	—	—	—	—	—
Western Region:										
Anchorage	7,880	6,498	7	306	33	4	351	681	—	—
Boise	7,280	5,613	17	420	134	16	253	827	—	—
Helena	7,740	6,064	28	483	136	34	445	550	—	—
Honolulu	8,795	6,857	40	762	98	45	527	466	—	—
Los Angeles	245,986	222,581	687	9,525	2,548	512	3,043	6,466	367	277
Phoenix	25,536	22,076	122	1,209	440	100	453	1,136	—	—
Portland	17,525	13,638	84	1,194	470	98	571	1,470	—	—
Reno	15,578	13,877	36	578	76	77	351	581	—	—
Salt Lake City	11,786	9,251	54	927	124	27	496	907	—	—
San Francisco	110,229	94,367	487	5,341	2,001	344	2,873	4,431	299	66
Seattle	30,389	22,543	136	2,238	574	55	2,430	2,032	285	96
Ogden Service Center	15,680	15,680	—	—	—	—	—	—	—	—
Fresno Service Center	32,900	32,900	—	—	—	—	—	—	—	—

Table 10.—Additional tax and penalties recommended after audit examination by class of tax, and by internal revenue regions, districts, and other areas. (In thousands of dollars)

Regions, service center, and district	Total	Individual	Fiduciary	Corporation	Estate	Gift	Excise	Employment	Exempt Organizations
Total	**5,062,839**	**1,638,848**	**47,449**	**2,465,510**	**597,355**	**72,461**	**73,172**	**162,422**	**5,622**
North-Atlantic	**1,003,916**	**281,518**	**2,106**	**576,323**	**103,589**	**14,399**	**7,993**	**17,662**	**326**
Mid-Atlantic	**660,152**	**210,432**	**1,561**	**340,001**	**61,968**	**10,614**	**13,744**	**21,801**	**31**
Southeast	**667,704**	**234,541**	**3,474**	**323,217**	**64,479**	**7,963**	**10,278**	**22,614**	**1,138**
Central	**481,751**	**164,217**	**16,390**	**216,799**	**49,376**	**6,000**	**11,463**	**13,721**	**1,785**
Midwest	**785,752**	**202,716**	**3,476**	**427,292**	**63,524**	**15,538**	**8,617**	**43,888**	**701**
Southwest	**563,793**	**195,750**	**2,388**	**205,085**	**122,295**	**10,931**	**7,644**	**19,170**	**530**
Western	**853,396**	**328,121**	**18,054**	**357,408**	**107,598**	**6,831**	**13,320**	**20,953**	**1,111**
International Operations	**46,374**	**21,553**	—	**17,385**	**4,526**	**184**	**113**	**2,613**	—
North-Atlantic Region:									
Albany	52,366	8,009	57	22,815	20,515	369	98	503	—
Augusta	22,839	3,651	66	15,992	1,115	57	1,259	699	—
Boston	135,036	45,376	626	71,567	8,206	931	2,180	6,079	69
Brooklyn	123,117	51,420	481	42,543	22,286	1,771	795	3,783	38
Buffalo	103,138	14,952	45	76,073	8,520	796	1,350	1,402	—
Burlington	3,470	2,088	1	1,025	167	14	51	124	—
Hartford	65,642	13,991	369	34,609	8,782	5,923	1,039	929	—
Manhattan	444,685	108,049	430	294,815	32,437	4,272	1,152	3,511	219
Portsmouth	15,221	5,199	21	8,647	763	57	35	499	—
Providence	12,502	3,082	9	8,239	797	207	34	134	—
Andover Service Center	10,302	10,302	—	—	—	—	—	—	—
Brookhaven Service Center	15,397	15,397	—	—	—	—	—	—	—
Mid-Atlantic Region:									
Baltimore	87,110	39,406	408	33,334	9,557	1,448	316	2,615	26
Newark	218,694	56,053	740	124,711	11,530	395	6,869	8,392	4
Philadelphia	150,316	39,278	211	76,790	15,556	7,049	4,945	6,486	1
Pittsburgh	89,307	18,054	76	62,100	6,407	726	558	1,386	—
Richmond	58,372	22,272	114	20,375	11,333	616	966	2,696	—
Wilmington	44,174	13,189	12	22,691	7,585	381	90	226	—
Philadelphia Service Center	12,180	12,180	—	—	—	—	—	—	—
Southeast Region:									
Atlanta	105,507	34,760	755	51,854	6,303	991	5,769	4,003	1,072
Birmingham	45,826	15,498	464	20,597	5,997	1,520	214	1,536	—
Columbia	28,280	12,011	40	10,561	4,130	322	272	944	—
Greensboro	95,404	25,063	215	53,685	10,123	1,129	504	4,685	—
Jackson	29,434	13,112	254	10,206	3,301	467	205	1,889	—
Jacksonville	255,759	83,142	1,563	133,318	27,832	2,355	1,417	6,066	66
Nashville	79,389	22,848	184	42,996	6,792	1,180	1,897	3,492	—
Atlanta Service Center	13,758	13,758	—	—	—	—	—	—	—
Memphis Service Center	14,349	14,349	—	—	—	—	—	—	—
Central Region:									
Cincinnati	59,522	19,826	261	28,553	6,069	446	587	2,089	1,691
Cleveland	158,867	41,491	14,962	74,383	16,940	1,138	4,540	3,344	69
Detroit	108,587	45,666	727	46,953	7,306	1,423	4,606	1,881	25
Indianapolis	57,195	21,483	368	20,374	6,998	2,186	521	3,265	—
Louisville	65,023	16,963	57	37,695	6,996	562	1,142	1,608	—
Parkersburg	22,836	9,064	16	10,840	1,068	246	67	1,535	—
Cincinnati Service Center	9,724	9,724	—	—	—	—	—	—	—
Midwest Region:									
Aberdeen	9,234	4,245	14	2,828	1,120	727	36	264	—
Chicago	306,842	77,549	1,457	181,968	28,354	7,431	1,555	8,492	36
Des Moines	61,556	17,097	93	28,917	9,737	632	612	4,468	—
Fargo	9,579	2,957	13	3,764	2,315	295	63	172	—
Milwaukee	76,171	15,760	56	36,723	5,244	767	899	16,922	—
Omaha	39,602	9,997	62	18,183	5,412	1,223	3,473	1,252	—
St. Louis	152,448	23,106	1,393	100,206	13,991	2,040	1,395	10,234	83
St. Paul	77,545	26,337	231	36,477	10,691	1,447	481	1,319	582
Springfield	41,808	14,698	159	18,227	6,661	976	323	764	—
Kansas City Service Center	10,971	10,971	—	—	—	—	—	—	—
Southwest Region:									
Albuquerque	6,366	3,256	5	1,326	771	39	228	741	—
Austin	137,057	42,087	688	32,529	53,112	5,450	673	2,243	275
Cheyenne	3,740	2,103	22	615	684	144	49	123	—
Dallas	124,558	48,905	1,004	47,270	21,016	1,935	1,210	2,961	255
Denver	60,179	20,065	90	27,298	1,931	166	2,108	8,521	—
Little Rock	52,112	13,234	45	11,100	24,692	604	1,718	718	—
New Orleans	59,728	15,626	239	35,186	6,601	321	617	1,138	—
Oklahoma City	54,737	18,409	155	23,443	9,531	1,674	497	1,028	—
Wichita	50,129	16,679	140	28,316	3,955	598	542	1,699	—
Austin Service Center	15,187	15,187	—	—	—	—	—	—	—
Western Region:									
Anchorage	21,569	5,670	22	12,087	454	15	1,162	2,159	—
Boise	12,348	3,687	11	5,368	2,693	200	52	337	—
Helena	7,844	3,946	7	2,258	1,110	148	156	217	—
Honolulu	15,835	5,705	324	7,030	1,808	78	76	814	—
Los Angeles	289,103	128,336	814	90,898	52,752	1,636	8,418	5,875	374
Phoenix	42,167	15,004	114	16,534	7,666	1,266	276	1,307	—
Portland	39,088	11,831	49	19,688	5,726	448	321	1,025	—
Reno	43,642	22,353	104	11,965	7,744	534	550	392	—
Salt Lake City	23,389	14,555	10	5,692	973	139	229	1,771	—
San Francisco	251,716	66,000	16,302	142,087	19,377	842	991	5,461	656
Seattle	78,080	22,396	296	43,800	7,295	1,526	1,091	1,595	81
Ogden Service Center	11,957	11,957	—	—	—	—	—	—	—
Fresno Service Center	16,677	16,677	—	—	—	—	—	—	—

Table 11.—Appellate Division receipts and dispositions of cases not before the Tax Court (nondocketed cases)

A. Progress of work

Status	Number of cases	Amount stated in revenue agent's report (thousand dollars): Deficiency and penalty	Amount stated in revenue agent's report (thousand dollars): Overassessment
	(1)	(2)	(3)
Pending October 1	20,822	3,734,450	193,900
Received	20,083	2,026,791	44,308
Disposed of, total	**21,148**	**1,427,303**	**57,951**
By agreement	14,872	1,038,798	56,682
Unagreed: (Overassessments, claims, excise, employment, and offer in compromise rejections)	2,482	58,153	1,269
By taxpayer default on statutory notice	1,018	45,928	—
By petition to the Tax Court—transferred to docketed status	2,776	264,424	—
Pending Sept. 30 (Prop)	**19,757**	**4,333,938**	**180,357**

B. Results obtained in dispositions

Method	Number of cases	Appellate determination (thousand dollars): Deficiency and penalty	Appellate determination (thousand dollars): Overassessment
	(1)	(2)	(3)
Disposed of, total	**21,148**	**811,014**	**56,177**
By agreement	14,872	446,343	65,124
Unagreed: (Overassessments, claims, excise, employment, and offer in compromise rejections)	2,482	52,180	1,053
By taxpayer default on statutory notice	1,018	38,508	—
By petition to the Tax Court—transferred to docketed status	2,776	273,983	—

Table 12.—Appellate Division receipt and disposition of income, estate and gift tax cases petitioned to the Tax Court (docketed cases)

A. Progress of work

Status	Number of cases	Amount stated in statutory notice (thousand dollars): Deficiency in tax and penalty	Amount stated in statutory notice (thousand dollars): Overassessment
	(1)	(2)	(3)
Pending Oct. 1	18,151	2,387,000	
Received, total	12,268	777,872	N/A
Petitions filed in response to—			
District Directors' statutory notices	9,737	496,557	
Appellate Division's statutory notices	2,531	281,315	
Disposed of, total	**10,199**	**511,839**	
By stipulated agreement	7,437	412,545	
By dismissal by the Tax Court or taxpayer default	1,360	15,338	N/A
Tried before the Tax Court on the merits	1,402	83,956	
Pending Sept. 30	**20,220**	**2,653,033**	

B. Results obtained in dispositions

Method	Number of cases	Appellate determination (thousand dollars): Deficiency in tax and penalty	Appellate determination (thousand dollars): Overassessment
	(1)	(2)	(3)
Disposed of, total	**10,199**	**222,424**	N/A
By stipulated agreement	7,437	126,034	
By dismissal by the Tax Court or taxpayer default	1,360	12,434	
Tried before the Tax Court on the merits[1]	1,402	83,956	

[1] Represents amounts petitioned.

Table 13.—Appellate Division processing of all cases for 1976-1977 (income, estate, gift, excise, employment, and offers-in-compromise)

Status	Number of cases FY 6-30	FY 9-30
Pending beginning of fiscal year	34,951	38,973
Received	31,114	32,351
Disposed of, total	**29,096**	**31,347**
By agreement	20,811	22,309
Unagreed: (Overassessments, claims, excise, employment, and offer-in-compromise rejections)	1,924	2,482
By taxpayer default on statutory notice or dismissal by Tax Court	1,979	2,376
By petition to the Tax Court	2,975	2,776
Tried in the Tax Court	1,407	1,402
Pending end of fiscal year	**36,969**	**39,977**

Table 14—District Conference Activity

	Revenue Agents	Tax Auditors	FY 1977 Total
Cases pending October 1	**9,620**	**8,133**	**17,753**
Cases Received	17,097	30,003	47,100
Conference Completed	18,631	30,309	48,940
Number Agreed	11,631	22,865	34,496
Agreed as a percent of total	62.4	75.4	70.5
Cases pending September 30	**8,086**	**7,827**	**15,913**

Table 15—Overassessments of Tax Exclusive of Claims for Refund

	Number 1976	1977	Amount Recommended (thousands of dollars) 1976	1977
Total	**137,689**	**122,003**	**$289,100**	**$280,511**
Individual	109,264	94,799	96,471	83,055
Fiduciary	1,589	1,128	7,423	8,211
Corporation	11,667	12,360	133,216	130,649
Estate	6,167	5,226	33,839	35,249
Gift	677	551	1,724	2,235
Excise	4,787	3,710	5,594	5,558
Employment	3,538	4,229	10,733	15,554

Table 16.—Work flow in the Internal Revenue Service, and the courts, fiscal years 1976 and 1977

Returns	1976	1977
Tax returns filed, total	**127,662,218**	**133,684,546**
Individual income tax	82,577,436	85,611,191
Declaration of estimated tax	7,886,482	8,088,480
Fiduciary	1,611,567	1,662,702
Partnership	1,134,699	1,197,203
Corporation income tax	2,169,728	2,247,111
Estate tax	241,506	248,316
Gift tax	308,873	386,802
Employment taxes	24,840,676	25,023,074
Exempt Organization	503,487	554,166
Employee Plans	524,770	1,321,009
ATF Returns	593,090	557,914
Excise Taxes	919,389	909,853
Supplemental Documents	4,368,513	5,876,725
Income, Estate and Gift Tax		
Number of returns examined by Audit Division	*	2,125,160
Returns with adjustment proposed by Audit Division	*	1,611,579
Disposal of by Audit Division:		
Agreed, paid or defaulted	*	1,562,573
Transferred to Appellate	*	33,444
Other	*	15,562

* Due to fiscal year change in 1976, comparable figures are not available.

Civil Tax Cases			
Courts of Original Jurisdiction Tax Court:			
Total Petitioned to Tax Court		11,360	12,268
Dismissed		1,209	1,390
Settled by Stipulation		7,070	7,483
Closed by Tax Court decision		1,210	1,256
District Courts and Court of Claims:			
Total filed in District Courts and Court of Claims		1,033	1,152
Settled in District Courts and Court of Claims		532	445
Decided by District Courts and Court of Claims		402	451
Courts of Appeals:			
Settled by Courts of Appeals decision		299	237
Favorable to government		231	164
Favorable to taxpayer		56	40
Modified		12	33
Supreme Court:			
Taxpayer petitions for Certiorari	granted	2	4
	denied	44	39
Government petitions for certiorari	granted	1	1
	denied	—	—
Settled by Supreme Court decision		1	5
Fraud Cases			
Cases initiated by Intelligence Division		9,035	8,901
Disposed of by Intelligence Division:			
Prosecution recommended		3,147	3,408
Prosecution not recommended		5,650	5,459
Disposed of by Office of Chief Counsel:			
Prosecution not warranted, including cases declined by the Department of Justice		589	486
Prosecutions		2,037	2,181

Table 17.—Amounts of revenue involved at each level of the tax system, fiscal year 1977 and the preceding 12-month period for 1976
(Million dollars)

Item	1976	1977
Internal revenue collections, total	**310,823**	**358,139**
Individual income taxes, total	163,889	186,755
Withholding	127,758	144,672
Other	36,131	42,083
Corporation income taxes	47,432	60,050
Estate and gift taxes	5,408	7,425
Employment taxes	76,695	86,076
Excise taxes	17,399	17,833
Income, Estate, and Gift Taxes Civil Cases		
Tax and penalties determined by settlement in Tax Court	115	127
Tax and penalties determined by Tax Court decisions:		
Dismissed	15	13
Decisions on merits	42	28
Tax and penalties determined in cases decided by the Supreme Court and Courts of Appeals	18	7
Amount in dispute but not refunded to taxpayers as a result of final action on refund suits	64	41
Fraud Cases		
Deficiences and penalties in cases disposed of in intelligence divisions:		
Prosecution recommended	609	414
Prosecution not warranted	11	10

Table 18.—Requests for Tax Rulings and Technical Advice (Closings), 1977

Subject	Total	Taxpayer Requests	Field Requests
Total	**10,823**	**10,329**	**494**
Actuarial Matters	1,555	1,531	24
Exempt Organizations	3,785	3,507	278
Employee Plans	5,483	5,291	192

Table 18A.—Determination letters issued on pre-ERISA* employee benefit plans, fiscal year 1977.

Item	Pension or Annuity Plans	Profit Sharing and Stock Bonus	Self-Employed	Total
Determination letters issued with respect to—				
1. Initial qualification:				
a. Plans approved	360	260	8	628
1) Participating Employees	18,716	2,908	34	21,658
b. Plans disapproved	15	14	0	29
2. Amendments:				
a. Plans Approved	472	120	5	597
b. Plans Disapproved	2	1	0	3
3. Terminations:				
a. Plans Approved	2,499	1,776	9	4,284
b. Plans Disapproved	45	16	0	61

* Employee Retirement Income Security Act of 1974.

Table 18B.—Determination letters issued on ERISA* employee benefit plans, fiscal year 1977.

Item	Defined Contribution	Defined Benefit	Total
Determination letters issued with respect to—			
1. Initial qualification:			
a. Plans Approved	28,502	6,684	35,186
1) Participating Employees	3,402,699	1,065,622	4,468,321
b. Plans Disapproved	39	8	47
2. Amendments:			
a. Plans Approved	78,286	27,226	105,512
b. Plans Disapproved	16	1	17
3. Terminations:			
a. Plans Approved	8,065	4,020	12,085
b. Plans Disapproved	16	8	24

* Employee Retirement Income Security Act of 1974.

Table 18C.—Number of Returns Examined By Type of Exempt Organization

		FY 1977
501(c)(3)	Private Foundation	1,502
	Non-Exempt Charitable Trust	40
501(c)(3)	All Others	3,729
501(c)(4)	Civic Leagues, Social Welfare	480
501(c)(5)	Labor, Agriculture, Horticulture	288
501(c)(6)	Business Leagues	780
501(c)(7)	Social and Recreational Clubs	718
501	All Others	1,690
521	Farmers' Cooperatives	576
Total		**9,803**

Table 18.D—Number of Active Entities On Exempt Organizations Master File (Individual and Group)

IRC Section (501(c)):	9-30-76	9-30-77
(1) Corporations Organized Under Act of Congress	1,067	1,072
(2) Titleholding Corporation	5,114	5,223
(3) Religious, Charitable, etc.	259,523	276,455
(4) Social Welfare	125,415	129,496
(5) Labor, Agriculture Organizations	87,412	87,656
(6) Business Leagues	42,120	44,100
(7) Social and Recreation Clubs	47,820	50,031
(8) Fraternal Beneficiary Societies	141,725	141,138
(9) Voluntary Employee Beneficiary Societies	6,271	6,486
(10) Domestic Fraternal Beneficiary Societies	11,612	12,410
(11) Teachers Retirement Fund	14	13
(12) Benevolent Life Insurance Association	4,685	4,801
(13) Cemetery Companies	4,959	5,264
(14) Credit Unions	4,686	5,074
(15) Mutual Insurance Companies	1,454	1,450
(16) Corporations to Finance Crop Operation	30	31
(17) Supplemental Unemployment Benefit Trusts	790	800
(18) Employer Funded Pension Trusts	4	4
(19) War Veterans Organizations	13,960	14,305
501(d) Religious and Apostolic Organizations	59	63
521 Farmers' Cooperatives	3,969	3,794
Total	**762,689**	**789,666**

Table 18E.—Exempt Organizations Disposals of Applications During FY 1977

IR Code Section 501(c)	Applications for Determination: Approved	Denied	Other[1]	Total
(1) Corporations Organized Under Act of Congress	1	—	—	1
(2) Titleholding Corp.	163	18	131	312
(3) Religious, Charitable, etc.	15,890	728	5,833	22,451
(4) Social Welfare	2,576	154	1,009	3,739
(5) Labor, Agriculture Org.	596	15	115	726
(6) Business Leagues	1,727	113	326	2,166
(7) Social and Recreation Clubs	2,122	195	824	3,141
(8) Fraternal Beneficiary Societies	38	18	37	93
(9) Voluntary Empl. Beneficiary Societies	135	7	32	174
(10) Domestic Fraternal Societies	83	12	57	152
(11) Teachers' Retirement Fund	—	—	—	—
(12) Benevolent Life Insurance Assn.	139	28	114	281
(13) Cemetery Companies	299	10	46	355
(14) Credit Unions	18	—	4	22
(15) Mutual Ins. Companies	11	—	3	14
(16) Corp. to Finance Crop Oper.	—	—	—	—
(17) Supplemental Unemployment Benefit Trusts	21	—	4	25
(18) Employer Funded Pension Trust	—	—	1	1
(19) War Veterans' Org.	53	1	30	84
521 Farmers' Cooperatives	39	13	30	82
National Office Rulings or Determination Letters	2,491	273	—	2,764
Miscellaneous[2]	9,615	804	65	10,484
Grand Total	**36,017**	**2,389**	**8,661**	**47,067**

[1] Applications withdrawn by taxpayer, incomplete applications, etc.
[2] Applications for amendments of existing determination letters and for termination of exempt status; also information submitted by an organization at the end of its advance ruling period.

Table 19.—Earned Income Credits January-September 1977
(In thousands of dollars)

Internal revenue regions, districts, States and other areas (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		TOTAL EARNED INCOME CREDITS[1]		NEW FILERS WITH EIC AND ZERO TAX LIABILITY[2]		APPLICATION OF EARNED INCOME CREDITS[3]: APPLIED TO 1976 LIABILITY		REFUNDED		OFFSET-FROZEN[4]	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number[5]	Amount
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
United States, total		**6,170,831**	**1,240,317**	**471,264**	**103,446**	**3,065,908**	**344,436**	**4,323,706**	**884,118**	**85,952**	**11,763**
North-Atlantic Region		**718,226**	**141,511**	**53,326**	**11,870**	**347,952**	**38,273**	**496,941**	**101,542**	**9,852**	**1,695**
Albany	(See (c) below)	49,836	9,748	2,566	544	24,742	2,794	34,352	6,861	594	93
Augusta	(Maine)	37,117	7,317	1,756	351	19,613	2,271	25,219	4,992	451	55
Boston	(Massachusetts)	119,820	23,537	8,653	1,830	54,582	6,056	84,911	17,243	1,418	238
Brooklyn	(See (c) below)	163,441	32,832	15,186	3,582	75,549	8,167	114,989	24,131	2,840	534
Buffalo	(See (c) below)	101,693	19,736	5,447	1,136	50,839	5,754	69,736	13,814	1,094	168
Burlington	(Vermont)	15,114	2,965	781	155	7,849	934	10,413	1,999	218	32
Hartford	(Connecticut)	70,265	13,556	5,377	1,160	34,236	3,731	47,822	9,680	853	145
Manhattan	(See (c) below)	116,892	23,291	10,658	2,517	58,519	6,127	79,443	16,811	1,913	353
Portsmouth	(New Hampshire)	20,605	3,911	1,107	221	11,165	1,270	13,435	2,604	236	36
Providence	(Rhode Island)	23,443	4,617	1,797	373	10,858	1,169	16,621	3,407	235	40
Mid-Atlantic Region		**703,157**	**138,032**	**45,325**	**9,603**	**354,186**	**39,181**	**478,684**	**97,653**	**7,465**	**1,198**
Baltimore	(See (g) below)	80,013	15,739	4,996	1,046	41,439	4,493	53,764	11,120	827	126
Newark	(New Jersey)	165,646	32,704	14,059	3,073	75,553	8,213	116,651	24,099	2,211	392
Philadelphia	(See (c) below)	162,547	31,754	9,442	1,967	82,627	9,328	109,842	22,172	1,623	254
Pittsburgh	(See (c) below)	93,956	18,030	5,006	958	46,368	5,212	64,387	12,703	803	116
Richmond	(Virginia)	141,288	28,152	7,409	1,602	76,916	8,532	94,693	19,429	1,258	190
Washington, D.C.	(See (g) below)	43,987	8,569	3,471	764	23,327	2,546	28,688	5,930	578	94
Wilmington	(Delaware)	15,720	3,084	942	193	7,956	858	10,659	2,200	165	26
Southeast Region		**1,324,538**	**273,410**	**94,940**	**21,084**	**662,713**	**74,740**	**938,167**	**196,392**	**15,001**	**2,278**
Atlanta	(Georgia)	215,947	44,953	16,811	3,701	107,151	12,094	154,026	32,533	2,276	326
Birmingham	(Alabama)	152,623	32,085	11,563	2,573	73,248	8,319	111,421	23,567	1,295	200
Columbia	(South Carolina)	118,049	24,057	7,588	1,692	58,915	6,424	82,636	17,411	1,323	221
Greensboro	(North Carolina)	226,090	45,596	12,249	2,674	122,694	13,884	153,264	31,358	2,464	354
Jackson	(Mississippi)	119,097	26,051	12,285	2,734	50,585	5,783	91,898	20,062	1,417	206
Jacksonville	(Florida)	297,895	61,023	22,684	5,221	150,414	17,030	208,206	43,291	4,370	702
Nashville	(Tennessee)	194,837	39,644	11,790	2,488	99,706	11,206	136,716	28,169	1,856	270
Central Region		**735,539**	**145,228**	**49,242**	**10,018**	**366,562**	**41,257**	**510,809**	**102,953**	**6,418**	**1,008**
Cincinnati	(See (d) below)	117,018	22,872	7,556	1,528	58,646	6,432	79,719	16,267	1,117	172
Cleveland	(See (d) below)	127,384	24,796	8,881	1,770	64,001	7,148	86,524	17,460	1,175	188
Detroit	(Michigan)	172,536	33,787	13,579	2,753	81,092	9,012	122,597	24,523	1,586	253
Indianapolis	(Indiana)	131,697	25,897	8,286	1,731	69,705	7,887	87,976	17,842	1,064	168
Louisville	(Kentucky)	130,904	26,797	7,651	1,580	66,453	7,916	94,118	18,713	1,107	169
Parkersburg	(West Virginia)	56,000	11,079	3,289	657	26,665	2,873	39,875	8,148	369	58
Midwest Region		**699,715**	**137,442**	**47,870**	**10,205**	**380,224**	**45,283**	**474,468**	**91,068**	**6,566**	**1,091**
Aberdeen	(South Dakota)	24,137	4,706	1,096	230	15,678	2,050	16,294	2,634	153	23
Chicago	(See (b) below)	172,455	33,660	18,285	4,002	81,245	8,710	119,740	24,522	2,362	428
Des Moines	(Iowa)	59,641	11,527	3,184	673	36,290	4,592	38,359	6,866	410	69
Fargo	(North Dakota)	18,146	3,441	687	145	12,339	1,584	11,505	1,838	133	20
Milwaukee	(Wisconsin)	87,027	16,783	4,539	894	47,913	5,799	58,427	10,865	748	120
Omaha	(Nebraska)	38,584	7,474	1,715	368	24,496	3,104	24,945	4,327	264	43
St. Louis	(Missouri)	150,250	30,388	9,975	2,107	78,770	9,266	104,289	20,913	1,352	209
St. Paul	(Minnesota)	82,878	16,183	4,109	869	48,815	6,169	55,388	9,920	626	94
Springfield	(See (b) below)	6,597	13,278	4,278	916	34,678	4,009	45,521	9,184	536	85
Southwest Region		**1,007,219**	**207,342**	**85,120**	**19,014**	**493,017**	**55,810**	**722,113**	**149,838**	**10,295**	**1,695**
Albuquerque	(New Mexico)	52,188	10,457	4,607	938	22,738	2,471	39,105	7,901	511	84
Austin	(See (f) below)	293,845	61,253	26,442	6,090	134,521	14,628	216,613	46,095	3,117	529
Cheyenne	(Wyoming)	9,677	1,892	602	132	5,460	629	6,470	1,247	94	16
Dallas	(See (f) below)	180,265	36,872	15,672	3,585	93,409	10,682	124,107	25,836	2,122	354
Denver	(Colorado)	69,414	13,750	5,210	1,144	35,950	4,042	48,002	9,576	793	132
Little Rock	(Arkansas)	99,431	20,681	7,458	1,638	49,354	5,878	71,632	14,654	973	148
New Orleans	(Louisiana)	148,297	31,430	14,440	3,126	67,779	7,644	111,115	23,580	1,193	196
Oklahoma City	(Oklahoma)	99,397	20,366	7,521	1,658	51,722	6,076	69,649	14,134	1,021	156
Wichita	(Kansas)	54,705	10,642	3,168	702	32,084	3,760	35,420	6,804	471	78
Western Region		**978,581**	**196,589**	**95,107**	**21,580**	**459,801**	**49,741**	**699,560**	**144,068**	**15,625**	**2,781**
Anchorage	(Alaska)	5,696	1,116	439	98	2,924	318	3,915	787	65	11
Boise	(Idaho)	25,528	4,978	1,628	370	14,540	1,719	16,876	3,218	272	41
Helena	(Montana)	22,980	4,545	1,460	319	12,754	1,525	15,793	2,981	242	39
Honolulu	(Hawaii)	19,108	3,490	1,159	244	9,964	968	12,897	2,500	128	22
Los Angeles	(See (a) below)	404,655	82,923	47,389	11,065	178,184	19,199	296,155	62,098	8,606	1,627
Phoenix	(Arizona)	75,554	15,321	6,405	1,438	33,684	3,620	55,662	11,524	1,102	176
Portland	(Oregon)	66,586	13,057	4,944	1,058	33,757	3,751	45,816	9,196	680	111
Reno	(Nevada)	20,832	4,087	1,630	384	11,699	1,178	13,845	2,869	244	40
Salt Lake City	(Utah)	30,974	6,104	2,039	452	15,939	1,744	21,407	4,322	258	38
San Francisco	(See (a) below)	225,339	45,016	21,193	4,697	104,787	11,222	161,226	33,240	3,301	554
Seattle	(Washington)	81,329	15,951	6,821	1,454	41,589	4,495	55,968	11,333	725	123
Office of International Operations		**3,856**	**762**	**332**	**73**	**1,453**	**142**	**2,964**	**603**	**89**	**17**
Puerto Rico		1,737	346	168	36	496	41	1,466	299	32	6
Other		2,119	416	164	37	957	100	1,498	305	57	11
Totals for States not shown above											
	(a) California	629,994	127,940	68,582	15,763	282,971	30,421	457,381	95,338	11,909	2,181
	(b) Illinois	239,052	46,939	22,563	4,918	115,923	12,720	165,261	33,706	2,870	513
	(c) New York	431,862	85,608	33,657	7,779	209,649	22,842	298,520	61,617	6,441	1,149
	(d) Ohio	244,402	47,667	16,437	3,298	122,647	13,580	166,243	33,727	2,292	361
	(e) Pennsylvania	256,503	49,784	14,448	2,925	128,995	14,539	174,229	34,875	2,426	370
	(f) Texas	474,110	98,125	42,114	9,675	227,930	25,310	340,720	71,932	5,239	884
	(g) Baltimore District (Maryland and D.C.)	124,000	24,308	8,467	1,810	64,766	7,038	82,452	17,049	1,405	220

[1] Includes Earned Income Credits claimed by taxpayers and also responses to notices sent to and returned by taxpayers whose tax returns showed the characteristics of but who did not claim Earned Income Credits on their tax returns.
[2] Includes taxpayers who filed solely to claim Earned Income Credits as well as those who received an Earned Income Credit notice because their return, filed as non-taxable or refundable, showed Earned Income Credit characteristics.
[3] The number of Earned Income Credit applications exceeds the total number of such credits in column (1) because of dual application, i.e., partially refunded and partially applied to outstanding balance due. The amount of Earned Income Credit applications equals the amount shown in column (2).
[4] Earned Income Credits generated but applied to other than 1976 liabilities and those generated but temporarily unapplied pending resolution of taxpayer accounts.
[5] The United States total for column 9 includes 14,641 other Earned Income Credit applications which are not available by district and region.

Table 20.—Tax Withheld From Payments to Foreign Persons of Treaty and Nontreaty Countries—Calendar Year 1975
(In thousands of dollars)

Country	Income	Total tax withheld	Tax withheld by domestic withholding agents	Tax from foreign governments or withholding agents	Number of information documents filed by withholding agents
Total	**2,634,161**	**433,561**	**303,544**	**57,228**	**614,320**
Treaty countries, total	**2,416,704**	**391,542**	**261,525**	**57,228**	**504,638**
Australia	5,971	1,063	1,063	—	6,936
Austria	3,568	467	452	15	4,474
Belgium	65,726	9,192	8,347	845	14,168
Former Belgian o/s Territories	49	5	5	—	153
Canada	406,901	48,139	43,927	[1]4,212	267,744
Denmark	4,801	267	267	—	2,197
Finland	358	23	23	—	388
France	192,806	20,953	20,788	165	13,936
Federal Republic of Germany	95,370	10,829	10,829	—	56,368
Greece	2,801	442	442	—	3,781
Iceland	88	24	24	—	41
Ireland	4,204	554	554	—	4,093
Italy	18,592	2,524	2,524	—	12,852
Japan	90,466	9,049	9,049	—	4,776
Luxembourg	40,409	3,666	3,666	—	4,551
Netherlands	209,842	30,000	29,853	147	12,231
Netherlands Antilles	212,122	7,173	7,172	1	1,329
New Zealand	960	158	158	—	1,341
Norway	2,878	357	357	—	3,710
Pakistan	263	15	15	—	253
Poland	411	69	69	—	341
Romania	51	10	10	—	86
Sweden	40,292	2,089	2,089	—	5,404
Switzerland	600,027	124,632	72,789	51,843	26,621
Trinidad & Tobago	109	12	12	—	396
Republic of South Africa	1,700	447	447	—	1,989
USSR	690	198	198	—	518
United Kingdom	410,468	45,764	45,764	—	51,765
Former U.K. o/s Territories	4,783	632	632	—	2,256
Nontreaty countries	217,477	42,019	42,019	—	109,682

[1] Only total amount of tax withheld is available; breakdown between tax withheld by domestic withholding agents and tax from foreign governments or withholding agents is estimated from past experience.

Table 21.—Internal Revenue refunds, including interest, 1976* and 1977* (excluding rebates) (For refunds by region, and district, see tables 5 and 6)

	Number		Amount refunded (principal and interest—thousand dollars)		Amount of interest included (thousand dollars)	
	1976	1977	1976	1977	1976	1977
Total refunds of internal revenue[1]	**67,267,464**	**67,726,916**	**34,689,589**	**36,493,895**	**327,125**	**318,935**
Corporation income taxes	478,721	463,177	5,484,268	5,423,034	213,082	208,494
Individual income and employment taxes, total[1]	66,727,550	67,180,533	28,790,340	30,671,723	99,489	97,436
Excessive prepayment income tax[1]	64,169,170	64,531,066	27,442,540	29,255,379	48,885	51,000
Other income tax and Federal Insurance Contributions Act taxes	2,361,979	2,429,402	1,316,397	1,379,342	49,703	45,484
Railroad retirement	431	268	246	199	7	9
Unemployment insurance	195,970	220,797	31,157	36,803	894	944
Estate tax	28,182	29,224	101,785	102,955	9,870	9,747
Gift tax	4,649	5,633	9,740	6,254	2,032	726
Excise taxes, total	48,362	48,351	303,455	289,929	2,650	2,532
Alcohol taxes[2]	12,176	13,403	112,701	112,844	19	14
Tobacco taxes[2]	409	362	4,261	6,498	−24	55
Manufacturers' and retailers' excise taxes, total	4,010	3,324	167,517	154,964	1,214	1,634
Gasoline used on farms[3]	142	89	122,132	106,458	—	—
Gasoline, nonhighway	807	892	2,456	4,205	—	2
Other[4]	3,061	2,343	43,028	44,300	1,214	1,632
All other excise taxes[5]	31,767	31,262	18,978	15,824	1,440	829

[1] Net of 179,168 undeliverable checks totaling $45,417,000 in 1976 and 1,244 undeliverable checks totaling $507,000 in 1977.
[2] Includes drawbacks and stamp redemptions.
[3] Includes tax credits totaling $121,982,000 in 1976 and $106,295,000 in 1977.
[4] Includes lubricating oil use for nonhighway purposes.
[5] Includes narcotics, silver, wagering (excise and stamps), capital stock and other excise tax refunds.
* Due to fiscal year change in 1976, the data for that year covers Oct. 1, 1975 to Sept. 30, 1976, and the data for 1977 covers Oct. 1, 1976 to Sept. 30, 1977.

Table 22.—Obligations Incurred by Internal Revenue Service by Appropriation and Activity (In thousands of dollars)

Appropriation by Activity	Total 1976	Total 1977	Personnel Compensation and Benefits 1976	Personnel Compensation and Benefits 1977	Other 1976	Other 1977
Total obligations, appropriations & reimbursable	1,682,557	1,810,445	1,332,437	1,430,313	350,120	380,132
Obligations against appropriation funds	1,667,311	1,790,588	1,318,223	1,412,276	349,088	378,312
Salaries & Expenses:						
Total	44,685	49,365	38,234	40,822	6,451	8,543
Executive Direction	19,410	21,311	16,603	17,711	2,807	3,600
Internal Audit & Security	25,275	28,054	21,631	23,111	3,644	4,943
Accounts, Collection & Taxpayer Service:						
Total	777,223	849,515	573,169	618,760	204,054	230,755
Data Processing Operations[1]	410,517	448,664	306,135	338,265	104,382	110,399
Statistical Reporting	12,763	12,653	9,892	9,908	2,871	2,745
Collection	242,625	246,458	198,161	204,153	44,464	42,305
Taxpayer Service	111,318	141,740	58,981	66,434	52,337	75,306
Compliance:						
Total	845,403	891,708	706,820	752,694	138,583	139,014
Audit of Tax Returns	600,726	632,050	500,738	530,790	99,988	101,260
Employee Plans	30,664	35,816	26,096	31,111	4,568	4,705
Tax Fraud & Special Investigations	100,293	105,332	81,387	86,757	18,906	18,575
Exempt Organizations	20,581	20,433	17,494	17,593	3,087	2,840
Taxpayer Conferences & Appeals	35,886	38,262	32,159	33,699	3,727	4,563
Technical Rulings & Services	18,848	19,395	16,013	16,926	2,835	2,469
Legal Services	38,405	40,420	32,933	35,818	5,472	4,602
Reimbursable obligations, Total	15,246	19,857	14,214	18,037	1,032	1,820

[1] Data Processing Operations Total includes Management Activity 2300 for National Office.

Table 23.—Staff Years Authorized and Realized[1]

Appropriation	Authorized 1976	Authorized 1977	Realized 1976	Realized 1977	Percentage Realized 1976	Percentage Realized 1977
Salaries & Expenses	1,874	1,821	1,880	1,834	100.3	100.7
Accounts, Collection & Taxpayer Service	44,248	44,173	44,215	44,683	99.9	101.2
Compliance	38,042	38,346	38,169	37,226	100.3	97.1
Total	84,164	84,340	84,264	83,743	100.1	99.3
Increase, Decrease 1977 over 1976	—	+176	—	−521	—	—

[1] Does not include staff years devoted to reimbursable projects.

Table 24.—Costs incurred by the Internal Revenue Service (In thousands of dollars)

Internal revenue office, district or region	Total (1)	Personnel Compensation (2)	Travel (3)	Equipment (4)	Other (5)
A. National Office and regional totals (including district director's offices and service centers)					
Total Internal Revenue Service	1,810,445	1,430,313	47,970	10,676	321,486
National Office	334,823	106,023	2,948	4,984	220,868
North-Atlantic	265,998	243,415	4,687	273	17,623
Mid-Atlantic	181,985	165,701	4,024	1,223	11,037
Southeast	188,457	167,344	6,546	713	13,854
Central	153,653	139,175	4,949	637	8,892
Midwest	178,479	161,027	5,829	1,188	10,435
Southwest	165,758	146,002	7,381	780	11,595
Western	251,759	225,475	7,696	351	18,237
Regional Counsel	23,505	22,334	286	356	529
Regional Inspection	21,408	18,926	1,869	78	535
Office of International Operations	11,365	8,778	1,626	23	938
National Computer Center	9,579	6,086	42	(1)	3,451
IRS Data Center	23,676	20,027	87	70	3,492
B. Regional commissioner's offices (excluding district director's offices and service centers)					
North-Atlantic	13,797	12,785	233	29	750
Mid-Atlantic	10,464	9,266	198	103	897
Southeast	9,307	8,231	271	13	792
Central	8,962	8,184	210	18	550
Midwest	10,374	8,621	372	226	956
Southwest	8,982	8,095	323	67	497
Western	14,126	11,341	533	171	2,081
C. Regional costs undistributed					
North-Atlantic	924	—	858	—	65
Mid-Atlantic	977	—	909	—	68
Southeast	2,201	587	1,413	—	200
Central	1,348	72	1,212	—	64
Midwest	1,175	—	1,111	—	64
Southwest	1,974	—	1,875	—	99
Western	1,689	—	1,564	—	125
D. District director's offices and service centers:					
North Atlantic:					
Albany	7,695	6,972	232	16	475
Augusta	4,443	4,024	190	7	223
Boston	28,068	26,310	548	32	1,178
Brooklyn	30,274	28,621	397	83	1,173
Buffalo	17,909	16,492	475	8	934
Burlington	2,486	2,198	121	14	153
Hartford	14,664	13,797	338	16	513
Manhattan	60,128	57,602	660	3	1,863
Portsmouth	3,849	3,547	114	4	184
Providence	5,481	5,083	120	10	267
North-Atlantic Regional Training Ctr.	—	—	—	—	—
North-Atlantic Region-Centralized Tr.	162	—	160	—	3
Andover Service Center	35,683	30,927	141	49	4,565
Brookhaven Service Center	40,436	35,057	101	2	5,276
Mid-Atlantic:					
Baltimore	24,004	22,583	380	206	835
Newark	37,048	34,812	811	112	1,313
Philadelphia	30,522	28,722	567	239	995
Pittsburgh	15,699	14,663	327	100	608
Richmond	16,467	14,774	568	197	927
Wilmington	3,507	3,302	68	22	115
Mid-Atlantic Regional Training Ctr.	—	—	—	—	—
Mid-Atlantic Region-Centralized Tr.	116	—	116	—	—
Philadelphia Service Center	43,183	37,578	80	245	5,280
Southeast:					
Atlanta	21,041	19,081	962	164	834
Birmingham	9,799	8,880	428	61	430
Columbia	7,498	6,848	288	51	311
Greensboro	16,033	14,528	759	98	649
Jackson	6,880	6,204	326	23	326
Jacksonville	37,233	34,116	1,287	121	1,710
Nashville	13,023	11,794	530	148	551
Southeast Regional Training Ctr.	—	—	—	—	—
Southeast Region-Centralized Tr.	154	—	154	—	—
Atlanta Service Center	32,118	28,099	60	25	3,934
Memphis Service Center	33,170	28,976	69	10	4,116

Table 24.—Costs incurred by the Internal Revenue Service—Continued
(In thousands of dollars)

Internal revenue office, district, or region	Total (1)	Personnel Compensation (2)	Travel (3)	Equipment (4)	Other (5)
Central:					
Cincinnati	17,035	15,748	471	90	726
Cleveland	24,127	22,514	604	58	951
Detroit	33,966	31,559	978	111	1,319
Indianapolis	16,408	14,974	612	125	697
Louisville	10,334	9,481	368	48	437
Parkersburg	5,887	5,270	261	55	300
Central Regional Training Ctr.	—	—	—	—	—
Central Region-Centralized Training	128	—	128	—	—
Cincinnati Service Center	35,456	31,373	105	132	3,848
Midwest:					
Aberdeen	2,944	2,593	200	25	126
Chicago	42,676	40,272	851	139	1,615
Des Moines	9,549	8,614	411	48	476
Fargo	2,643	2,336	130	24	153
Milwaukee	14,132	12,985	431	143	574
Omaha	6,549	5,820	285	69	375
St. Louis	22,451	20,635	756	273	787
St. Paul	16,077	14,921	547	42	567
Springfield	11,008	9,830	515	116	546
Midwest Regional Training Ctr.	—	—	—	—	—
Midwest Region-Centralized Training	140	—	140	—	(*)
Kansas City Service Center	38,563	34,201	82	83	4,197
Southwest:					
Albuquerque	4,530	4,096	196	20	219
Austin	28,749	26,078	1,224	159	1,288
Cheyenne	2,312	2,008	167	20	117
Dallas	28,565	25,443	1,075	182	1,865
Denver	11,868	10,429	494	103	842
Little Rock	7,277	6,196	352	67	661
New Orleans	13,178	12,059	474	49	595
Oklahoma City	12,475	11,163	527	67	718
Wichita	8,909	8,151	377	26	355
Southwest Region-Centralized Training	172	—	172	—	(*)
Austin Service Center	36,767	32,283	125	20	4,339
Southwest Regional Training Center	—	—	—	—	—
Western:					
Anchorage	3,623	3,122	259	2	240
Boise	3,840	3,425	202	17	195
Helena	3,405	2,993	212	2	197
Honolulu	4,409	4,036	135	31	207
Los Angeles	61,081	56,883	1,626	36	2,536
Phoenix	8,791	8,127	292	11	361
Portland	9,303	8,426	311	14	553
Reno	6,225	5,707	233	10	276
Salt Lake City	4,353	4,031	127	4	190
San Francisco	39,147	36,074	1,114	22	1,936
Seattle	14,689	13,533	542	10	604
Western Regional Training Ctr.	(*)	(*)	—	—	—
Western Region-Centralized Training	266	—	259	—	7
Ogden Service Center	38,030	33,766	136	4	4,124
Fresno Service Center	38,784	34,012	150	17	4,605

* Less than $500.00.

Table 25.—Personnel Summary

Location and type	Average Positions Realized 1976	Average Positions Realized 1977	Number Employees At Close of Year 1976	Number Employees At Close of Year 1977
Service Total	85,455	85,727	85,712	84,414
Permanent	71,936	69,848	70,868	70,598
Temporary	13,519	15,879	14,843	13,816
National Office[1]	4,783	5,025	4,558	4,662
Field Service Total[2]	80,672	80,702	81,153	79,752
Data Processing, total	26,938	28,517	27,370	26,493
Collection, total	11,784	10,881	12,081	10,709
Revenue Officers	6,918	6,201	6,781	6,075
Other	4,866	4,680	5,300	4,634
Taxpayer Service, total	3,506	3,922	3,647	4,082
Taxpayer Ser. Specs	482	589	—	—
Taxpayer Ser. Reps.	1,491	1,147	1,327	1,098
Other	1,533	2,186	2,320	2,984
Audit, total	26,691	25,810	26,399	26,389
Revenue Agents	14,166	13,635	13,865	14,083
Off. Audit & Tax Tech.	4,763	4,545	4,596	4,686
Other	7,762	7,630	7,938	7,620
Employee Plans Org., total	1,103	1,266	1,212	1,272
Revenue Agents	714	} 903	756	784
Tax Law Specialists Technical	30		82	60
Tax Auditors	42		42	37
Other	317	363	332	391
Intelligence, total	3,739	3,575	3,663	3,664
Special Agents	2,611	2,555	2,553	2,787
Other	1,128	1,020	1,110	1,077
Exempt Org., total	684	612	652	650
Revenue Agents	447	} 452	421	404
Tax Law Specialist Technical	7		8	16
Tax Auditors	77		70	57
Other	153	160	153	173
Appellate, total	1,215	1,181	1,205	1,196
Appeals Officers	585	566	576	572
Auditors	120	116	121	118
Other	510	499	508	506
Administration, total	3,209	3,131	3,102	3,253
Regional Counsel	935	946	947	992
Regional Inspection	868	861	875	852

Note: Reimbursements are included in above figures.
[1] Includes Terminal Leave for average positions realized for entire Service
[2] Includes Office of International Operations, National Computer Center, and IRS Data Center.

Table 26.—Quantity And Cost Statistics For Printing

Class of Work	Quantity (1,000 Items)		Cost (1,000 Dollars)	
	Tax Packages	Other Printing FY-77	FY-76	FY-77
1. Tax Packages (1977)				
Package 1 (Form 1040, Instructions, Schedules A & B, 52 pages)	24,797	—	—	1,835
Package 2 (Form 1040, Schedules A & B, D, E, R, and Instructions—68 pages)	10,767	—	—	1,126
Package 3 (Form 1040, Schedules A & B, C, D, E, R, F, SE, and Instructions—76 pages)	8,957	—	—	993
Package 4 (Form 1040, Schedules A & B, C, D, E, R, F, SE, Forms 3468, 4136, 4797, and instructions—96 pages)	2,765	—	—	449
Package 1040A (Form 1040A and Instructions—32 pages)	37,797	—	—	1,797
Package 1065 (Form 1065, Sch. K-1, Form 4797 & Instructions—52 pages)	1,800	—	153	210
Package 1120 (Form 1120, Sch. D, Form 1120W, 3468, 4797, 4874, 7004, and Instructions—96V	2,180	—	154	202
2. Employment Tax Package				
Pub. 393 (1977)	5,961	—	—	465
Total cost of Tax Returns & Instructions for Major Mailing To Taxpayers	—	—	—	7,237
3. Other Tax Returns, Instructions, Public Use Forms & Pamphlets	—	3,411,306	—	20,660
4. Administrative Forms and Pamphlets	—	605,311	—	7,439
5. Field Printing	—	389,637	—	2,921
Grand Total	—	13,446,447	—	38,257

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