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1978 Annual Report

Commissioner of Internal Revenue

Statistics of Income

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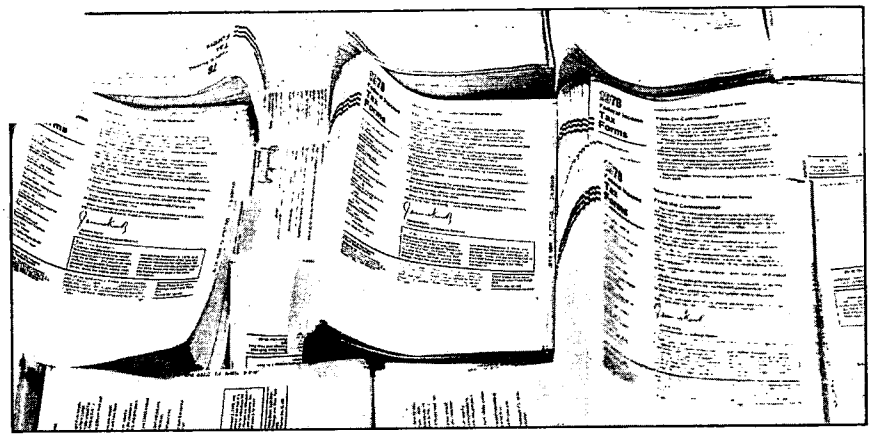

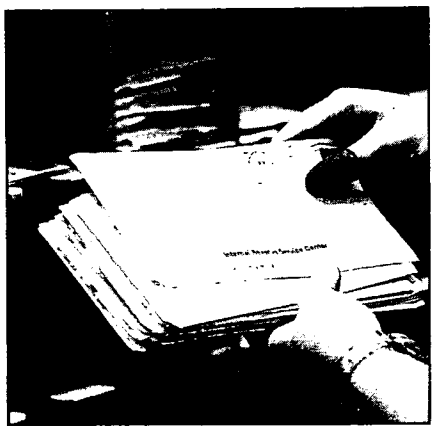

Department of the Treasury
Internal Revenue Service

1978 Annual Report

Commissioner of Internal Revenue

Statistics of Income Library

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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 "1978" pertains to the fiscal year ended Sept. 30, 1978.

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.

Introduction

This annual report covers my first full year in office. I believe that many of the actions taken this year by the Internal Revenue Service have provided and will continue to provide benefits to taxpayers.

Shortly after coming to the IRS, I appointed a group of senior IRS career executives to study, in detail, the IRS's organization and to make recommendations for change, if appropriate. The only direction I gave the group was that no change was to be considered which would decrease service to taxpayers or impair the effectiveness of the IRS. That group completed its work this year. As a result of its study and recommendations we either have implemented or are in the process of implementing the following changes:

- Functions involving service to the public have been separated from other functions at all levels of the organization — National, regional and district. The goal is to emphasize the independence and importance of service to taxpayers.
- Administrative and support services are being centralized within the various offices to increase efficiency and reduce overhead.
- We are streamlining our smallest district offices by eliminating a level of middle management and consolidating certain internal housekeeping functions into those of larger offices. Again, this move is designed to increase efficiency. No front line services to taxpayers are affected.
- We substantially modified our administrative appeals procedure. We have consolidated the former two levels of appeal — one at the district and one at the regional level — into a single administrative appeal structure at the regional level. All appeals officers will have full settlement authority. We believe that this system will avoid delays and duplication and fully protect taxpayer rights. Appeals under this new system will continue to be heard at all locations where appeals formerly were heard at either level. We have established a new office of Regional Director of Appeals, which is independent of the district office responsible for the original deficiency recommendation.

  This office also will handle appeals dealing with employee plans and exempt organizations, as well as disputes formerly handled by the Collection Division.

The Tax Reduction and Simplification Act of 1977 and IRS efforts to simplify the tax forms enabled more than 34 million taxpayers to file the shorter Form 1040A in 1978, an increase of 17.3 percent over 1977. At the same time, 53.2 million taxpayers — 6.1 percent fewer than last year — filed Form 1040. This shift in taxpayer filing patterns and the simplification of the forms were responsible for a 58-percent drop in mathematical errors made on the Form 1040A, and a 29-percent decline in mathematical errors on Forms 1040.

These forms reflected increased taxpayer involvement in their design. For example, this was the second year that we held informal public hearings on the tax forms. This year, hearings were held in Columbus, Ohio; Columbia, S.C.; Denver, Colo.; and Des Moines, Iowa.

We also conducted a survey of taxpayer reactions to the forms by inserting questionnaires in a small sample of tax return

packages. At our hearings and through the survey, taxpayers told us that they preferred that the forms remain unchanged. The 1978 individual returns follow line for line the 1977 returns. Therefore, we have hopes that error rates will decline even further next year.

We improved the accuracy of the assistance we provided to taxpayers seeking help. Through sampling we found that over 97 percent of our answers to phone calls were correct and, of the tax returns reviewed after IRS assistance was given, nearly 96 percent were error free. We are working constantly to achieve higher quality service to taxpayers through improved training of our assistors and more extensive quality control.

All taxpayers are entitled to assurances that the tax laws are administered evenhandedly and that all are paying their fair share. Our compliance activities seek to give that assurance.

We have become increasingly concerned in recent years about the proliferation of tax shelters, many of which seemed to take positions well beyond a reasonable interpretation of the tax law. Therefore, during 1978 we doubled our audit coverage of partnership returns and concentrated resources on those returns which show substantial losses and where tax shelters are likely to appear.

Abusive shelter deductions increasingly have appeared on individual returns not involving partnerships. We have taken immediate steps to identify such returns for review. We also have undertaken a longer range project to change, for purposes of audit selection and audit coverage, the classification of individual returns, from one based on adjusted gross income to one based on total positive income. Returns with high incomes and high losses will have a low adjusted gross income but, because of their complexity, should be treated as high income returns. The new system will do so.

We know that there are taxpayers willing to gamble that their returns will not be examined and, even if they are, that certain issues will not be uncovered. To shorten the odds on this "audit lottery," we have added questions to tax returns that will help us select the most appropriate returns for audit and also help our examiners determine areas on the return for special attention. We are continuing to study the problems which we believe this audit lottery presents to a self-assessment tax system.

The nation's largest corporations are examined under our Coordinated Examination Program, which involves audits by teams of specialists. This year we completed a study of this program, and as a result we are implementing several changes. We are changing the criteria for selection of those corporations to be examined under the program from a determination based solely on gross assets to considerations involving a number of factors so that our team resources may be used more effectively. Other changes include new training programs for these employees and greater specialization by industry.

New York Times Photo

As the fiscal year closed, Congress was considering tax and energy legislation, some provisions of which would affect 1978 tax returns. In light of the possibility of late legislation, the IRS delayed the printing of individual tax packages well beyond the scheduled time. Only by the extraordinary efforts of many dedicated employees were we able to reflect this legislation in the forms and instructions for taxpayers, expedite massive printing and distribution tasks and get almost all the tax packages to taxpayers on time.

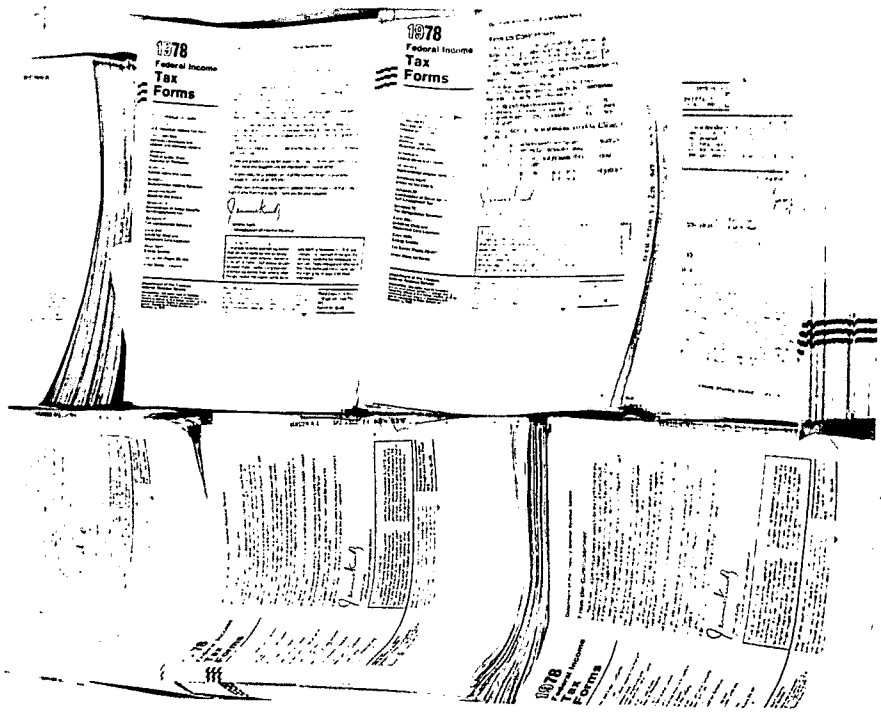
Over the past two years, the number of tax returns filed increased by 6.6 percent. During this same period, employment staff years at IRS increased less than one percent.

Administering our tax laws is an enormously complex task, one which is handled with a high degree of efficency, sensitivity and integrity by the 85,000 career Civil Service employees of the Internal Revenue Service.

This report summarizes the results of their efforts.

Jerome Kurtz
Commissioner of Internal Revenue

Collecting the Revenue



Collecting the Revenue

Returns Processing

IRS service centers received 136.7 million tax returns of all types in FY 1978 compared to 133.5 million in 1977. Of the returns received in 1978, over 89.1 million were individual and fiduciary income tax returns as compared to 87.3 million in 1977.

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

Type of Return	1977	1978
Grand Total	**133,522r**	**136,718**
Income Tax, Total	**98,772r**	**100,775**
Individual	85,608r	87,386
Declaration of estimated tax	8,088	8,103
Fiduciary	1,663	1,732
Partnership	1,165r	1,205
Corporation	2,248r	2,349
Estate Tax	**248**	**160**
Gift Tax	**287**	**195**
Employment Tax	**25,024r**	**25,541**
Exempt Organization	**554**	**517**
Employee Plans	**1,287r**	**1,243**
Alcohol, Tobacco and Firearms	**564r**	**552**
Excise Tax	**910**	**908**
Supplemental Documents	**5,877**	**6,827**

r Data revised from previous annual report.

After several years of increase up to 1977, the number of Form 1040 filers decreased this year while the ranks of Form 1040A filers continued to grow. The shift from Form 1040 to the shorter 1040A was due to the simplification of the form and its increased availability made possible by the Tax Reduction and Simplification Act of 1977 and to a greater effort to mail the Form 1040A to taxpayers who had used the 1040 in 1977 but were eligible to file the shorter form. The Service received 53.2 million Forms 1040 in 1978, 6.1 percent less than the 56.5 million received last year. More than 34 million individual taxpayers, 39 percent of all individual filers, used the Form 1040A, compared to over 29 million in 1977, an increase of 17.3 percent.

Mathematical Correction

The IRS checked the mathematics on 87.6 million individual returns. As a result, 2 million taxpayers had decreases in the liability shown on their returns totaling $309 million, an average of $152 per return, resulting in larger refunds or smaller tax due. On 3.4 million returns, correction of taxpayer errors increased their tax liability by $791 million — an average of $235.

Error rates for Forms 1040A processed dropped dramatically from last year. In 1977, 12 percent of all Forms 1040A processed over the same period had mathematical errors as compared to 5.1 percent for 1978. Error rates for the redesigned Form 1040 fell from 9.1 to 6.5 percent in a tally at the close of the annual filing period.

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

	1977	1978
Number verified by computer	**82,488**	**83,915**[1]
Number of returns on which mathematical errors were detected	8,548	5,404
Percent of returns with mathematical errors	10.4	6.4
Returns with increase:		
Number	4,575	3,371
Amount	628,843	791,363
Average amount (dollars)	137.46	234.76
Returns with decrease:		
Number	3,973	2,033
Amount	428,310	309,155
Average amount (dollars)	107.79	152.04

[1] Not including 3,685,000 verified by other means.

The decrease in math errors was mainly attributable to changes made by the Tax Reduction and Simplification Act of 1977 and the redesign of the Forms 1040 and 1040A. The new forms eliminated the need for many taxpayers to calculate their taxes, which was the cause of numerous errors in previous years.

The Service also checked the credit claimed for estimated tax payments. The verification showed that taxpayers underclaimed $259 million in estimated tax credits and overclaimed by $474 million.

Receipts

Gross revenue collections amounted to $399.8 billion, an increase of $41.6 billion (11.6 percent) over 1977. All major tax categories except estate and gift taxes

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

Source	Percent of 1978 Collections	1977	1978	Increase or Decrease[1] Amount	Percent
Grand total[1]	**100.0**	**358,139,417**	**399,776,389**	**41,636,972**	**11.6**
Income taxes, total	**69.6**	**246,805,067**	**278,438,289**	**31,633,222**	**12.8**
Corporation	16.4	60,049,804	65,380,145	5,330,341	8.9
Individual, total	53.3	[3]186,755,263	[4]213,058,144	26,302,881	14.1
Withheld by employers[2]	41.3	144,672,331	165,254,230	20,581,899	14.2
Other[2]	12.0	42,082,932	47,803,913	5,720,981	13.6
Employment taxes, total	**24.3**	**86,076,316**	**97,291,653**	**11,215,337**	**13.0**
Old-age and disability insurance, total	23.2	82,257,211	92,630,407	10,373,196	12.6
Federal insurance contributions	22.1	78,256,895	88,362,950	10,106,055	12.9
Self-employment insurance contributions	1.1	4,000,316	4,267,457	267,141	6.7
Unemployment insurance	0.7	1,910,302	2,642,014	731,712	38.3
Railroad retirement	0.5	1,908,803	2,019,231	110,428	5.8
Estate and gift taxes	**1.3**	**7,425,325**	**5,381,499**	**−2,043,826**	**−27.5**
Excise taxes, total	**4.7**	**17,832,707**	**18,664,949**	**832,242**	**4.7**
Alcohol	1.4	5,406,633	5,612,715	206,082	3.8
Tobacco	0.6	2,398,501	2,450,913	52,412	2.2
Other	2.7	10,027,573	10,601,321	573,748	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 OASDHI taxes on self-employment income. The amount of OASDHI 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] Includes Presidential Election Fund amounting to $36,640,491

[4] Includes Presidential Election Fund amounting to $39,077,131

showed an increase. Factors contributing to this year's collection picture were higher personal income, higher corporate profits, and increases in the social security tax rate and base.

Income taxes accounted for over two thirds of all tax receipts. Individual income taxes amounted to $213.1 billion, a gain of $26.3 billion (14.1 percent) over the prior year. Corporation income taxes collected were $65.4 billion — up by $5.3 billion (8.9 percent).

Employment taxes — social security, self employment, federal unemployment, and railroad retirement — totaled $97.3 billion, advancing $11.2 billion (13 percent). This increase reflected a higher level of wage and salary payments, increases in the amounts subject to social security and unemployment taxes, and an increase in the social security rate.

Excise taxes registered the smallest advance of any major tax category, rising $800 million (4.7 percent) on collections of $18.7 billion. Much of the gain was generated by excises related to autos and air transportation. A new excise tax on coal to finance the payment of black lung benefits to miners was effective April 1, 1978.

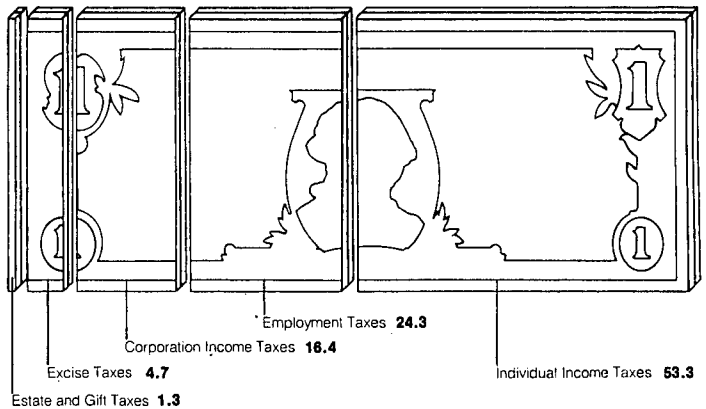
Estate and gift tax collections registered the only decrease, falling $2 billion (27.5 percent). The decline was from last year's abnormally large gift tax receipts caused by the pending estate and gift tax revisions of the Tax Reform Act of 1976.

Net Internal Revenue Collections
through September 30, 1978
(Dollars in thousands)

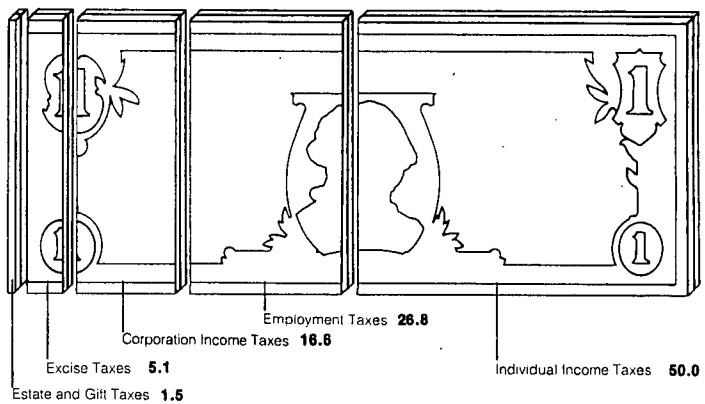
Source	Gross Collections	Refunds[1]	Net Collections Amount	Net Collections Percent of Total
Grand total	**399,776,389**	**39,326,170**	**360,450,219**	**100.0**
Corporation income taxes	65,380,145	5,428,280	59,951,865	16.6
Individual income taxes	213,058,144	32,950,536	180,107,608	50.0
Employment taxes, total	97,291,653	560,940	96,730,713	26.8
Old-age, survivors, disability and hospital and insurance	92,630,407	517,725	92,112,682	25.6
Railroad retirement	2,019,231	756	2,018,475	0.6
Unemployment insurance	2,642,014	42,459	2,599,555	0.7
Estate and gift taxes	5,381,499	96,097	5,285,402	1.5
Excise taxes	18,664,949	290,318	18,374,631	5.1

[1] Does not include interest paid on refunds

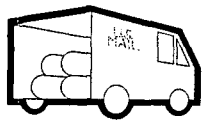
The Tax Dollar
Where It Came From
Fiscal Year 1978 (Gross Collections)

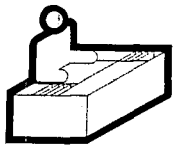


The Tax Dollar
Where It Came From
Fiscal Year 1978 (Net Collections)



Pipeline At the ten Regional Service Centers





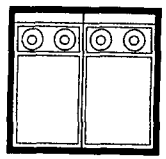
Envelopes are opened and counted.

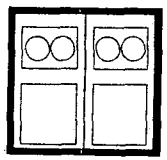
Returns are sorted by type of return

Tax returns and accompanying checks are compared.

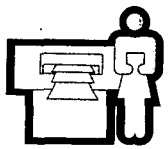
Returns are edited and coded for computer processing.

Tax return information is fed into the computer.





IRS computers perform validity checks on tax returns.



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.

Refunds

The IRS paid refunds totaling $39.6 billion to 69 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 $495. This year's individual refunds included 4.3 million checks totaling $900 million for the Earned Income Credit (EIC). In 1977, 67.9 million individual refunds totaling $36.5 billion were paid, with 4.4 million checks totaling $900 million in EIC.

Penalties and Interest

The IRS under law can levy penalties such as those for failure to pay tax due, bad checks, delinquency, negligence, and fraud. More than 15 million penalties totaling $1.3 billion were assessed with 1.4 million of these amounting to $336 million abated. Almost half of the penalties were for individual returns. For detail, see Statistical Table 13.

The Service also is required to assess interest against taxpayers who fail to meet filing requirements. More than $85 million in interest was assessed on individual returns this year of which $4 million was abated. For business returns, interest assessed was $759 million with abatements of $95 million.

Interest paid this year amounted to $108 million for individual and employment taxes and $198 million for corporations. Details are shown in Statistical Table 7.

Tax Credits

One of the provisions of the Tax Reduction and Simplification Act of 1977 was the New Jobs Credit. This is a nonrefundable credit available to employers meeting certain criteria in the hiring of new employees in 1977 and 1978.

Returns Filed and Refunds Issued

Individual Income Tax* January-June
(Cumulative 000's, cumulative percentages)

1977	Jan	Feb	Mar	Apr	May	June
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
1978						
Returns Filed						
Volume	4,635	31,174	49,617	82,589	84,932	86,075
Percent	5.4	36.2	57.6	96.0	98.7	100
Refunds Issued						
Volume	1,636	14,685	35,489	55,205	63,085	64,357
Percent	2.5	22.8	55.1	85.8	98.0	100

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

Again this year a credit for child care expenses was available for working parents and income credits were offered taxpayers meeting certain income and dependency criteria.

The accompanying table shows tax credits for January through September 1977 and 1978.

		1977	1978
New Jobs Credit	No.	——	536 thousand
	Amt.	——	$1.7 billion
Child Care Expense Credit	No.	2.7 million	2.9 million
	Amt.	$0.5 billion	$0.5 billion
Earned Income Credit	No.	6.2 million	5.6 million
	Amt.	$1.2 billion	$1.1 billion

Presidential Election Campaign Fund

A total of 24.9 million individual income tax returns had designations for the Presidential Election Campaign Fund in 1978 — 28.9 percent of the returns processed during that period. The amount designated was $39.1 million. In 1977, there were 23.2 million individual tax returns — 27.5 percent of those processed — with designations totaling $36.5 million. The cumulative amount credited to the fund since it was initiated in 1972 is $171.5 million.

Automated Information Filing

The IRS received nearly 484 million information returns from businesses and organizations required to report payments of wages, interest, dividends and other payments. Over 265 million of these documents were submitted on magnetic media as a result of the Service's continuing program to encourage payers that have computer capability to do so.

Of the information returns received, almost all of those filed on magnetic media that report income paid to individuals and approximately 15 percent of those on paper will be matched against the master file.

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

Combined Annual Wage Reporting

Combined Annual Wage Reporting (CAWR) is a new system for reporting employee wage data which has been developed to reduce the reporting burden for employers. This new system will satisfy the reporting requirements of both the IRS and the Social Security Administration (SSA). CAWR became effective for all wages paid after Dec. 31, 1977. Under CAWR the requirement to file Schedule A with employment tax Forms 941 and 943 became obsolete and the Form W-2 was redesigned to transmit the Federal Insurance Contributions Act information formerly filed on Schedule A. The Forms W-2 are to be filed with the SSA which will transcribe the information and supply it to the IRS.

By eliminating Schedule A, the President's Advisory Council estimated an annual savings to employers of $235 million.

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	216,839[r]	32,486
*1976	248,106	35,013[r]
*1977	265,106	39,980

[r] Data revised from previous annual report.
* Calendar year data
Data for 1973 and prior covers the 6 month period January through June

Assisting the Taxpayer

Assisting the Taxpayer

Call, Walk In or Write

The Service provides taxpayers with comprehensive information about the tax system and their responsibilities and rights under it. Aware that the process of determining income, exemptions, deductions and correct tax can be difficult, the IRS provides direct assistance through personal contact, by telephone and by correspondence.

During 1978 the IRS received about 93,000 written, 28 million telephone and 9 million walk-in inquiries. More than 63 percent of these inquiries occurred from January 1 through April 29, 1978 — over 17 million phone calls, more than 6 million walk-in inquiries, and over 38,000 written inquiries, almost 24 million requests for assistance. Of these filing period inquiries — telephone calls and prepared returns — over 196,000 were reviewed as part of the quality review system. This review indicated an overall national accuracy rate of 97.5 percent.

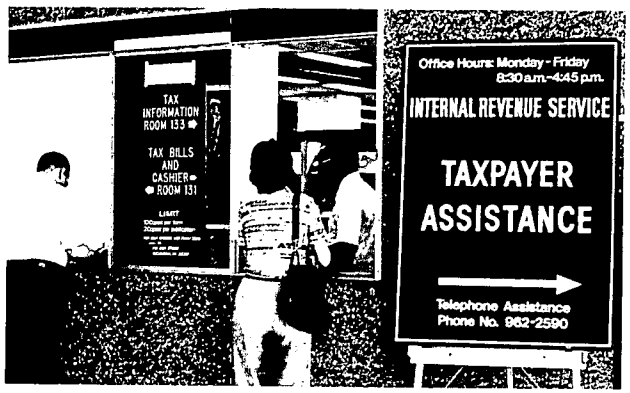
Services

Filing period walk-in taxpayer assistance was offered at about 690 permanent offices and at 200 temporary offices set up for the filing period. These offices were located in the inner city, business districts, and suburban and rural areas. When possible, hours of service were extended for taxpayers unable to call or visit during normal business hours. Most taxpayers were required to wait less than half an hour and more than half waited less than fifteen minutes for assistance.

The IRS continued to provide bilingual service to taxpayers who do not speak English. Of approximately 890 taxpayer service offices, 207 offices had tax assistors who spoke foreign languages. Spanish assistance was provided by 487 employees and 515 employees assisted in other foreign languages. Bilingual taxpayer assistance also was provided through a questionnaire, translated into Spanish, Chinese and Vietnamese, that was issued to taxpayers who could not communicate in English. Over 35,000 banks and Postal Service locations helped distribute more than 250 million tax forms and instructions.

Toll-Free Phones

IRS toll-free telephone service continues to reach more taxpayers with greater efficiency than any other method of assistance. Almost 97 percent — 17.2 million — of the telephone calls received during the 1978 filing period were on the toll-free system.



The toll-free system brings IRS offices as close to taxpayers as their phones. By using this system — without paying a long distance charge — taxpayers anywhere in the U.S. may call the IRS for assistance or clarification of bills or notices received. Toll-free numbers are listed in the tax packages and are also publicized to alert taxpayers to this service.

During this filing period calls answered by TV phones and teletypewriter service for the deaf increased by four percent. This special service has a nationwide toll-free number, excluding Alaska and Hawaii, staffed by the Indianapolis District. As a result, hearing impaired taxpayers have access to services similar to those offered other taxpayers.

Educating Taxpayers

This year marked the tenth year of the IRS Volunteer Income Tax Assistance (VITA) Program. Through this program the Service attracts, recruits and trains volunteers to offer free tax assistance to low income, elderly or disadvantaged taxpayers at convenient locations and times. Approximately 30,000 volunteer assistors were trained by the Service as part of the VITA program — a 50 percent increase over last year.

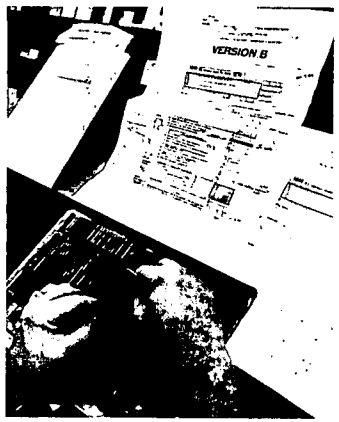
The Service's taxpayer education program sponsored over 4,000 classes for about 200,000 individuals. Additionally, in the school programs, "Understanding Taxes" and "Fundamentals of Tax Preparation," about five million tax course books were distributed to high school and college level students throughout the country.

The refresher income tax law course also was revised and made more flexible by leaving the districts free to select a number of tax law topics based upon local quality review statistics.

Simplifying the Forms

The last-minute congressional preadjournment flurry of activity produced the year's most important legislation for the IRS, the Revenue Act of 1978 and the Energy Act of 1978. The problem faced by the IRS was to reflect these late changes in the law in the forms and instructions being designed and printed for 1978 so they could be available for taxpayers in time.

Despite problems created by late legislative changes, simplification efforts continued. This year's efforts focused on rewriting and redesigning the instructions for Forms 1040A, 1040 and related schedules. The instructions now have a 9th grade



readability level compared to a 13-14 grade level two years ago, with graphic design changes also improving the instructions. The changes include opening up vertical spacing between sections and paragraphs to ease crowding, using an irregular right hand margin to maintain natural word spacing and introducing bolder primary headings and subheadings for emphasis. Another significant improvement is the explanation of items, line by line, in the instructions.

But simplification efforts were not limited to the Form 1040 family. The instructions for Form 941, Employer's Quarterly Federal Tax Return, were rewritten and *Circular E, Employers Tax Guide*, is being rewritten, both to improve readability. In addition, after the Service requested comments on a simplified Form 940, Employer's Annual Federal Unemployment Tax Return, a new Form 940 was developed which eases the computation of unemployment tax for over 90 percent of filers.

Form 5329, Return for Individual Retirement Arrangement Taxes, and Form 5500-K, Annual Return/Report of Employee Pension Benefit Plan for Sole Proprietorships and Partnerships also were revised. The 1978 Form 5329 will need to be filed only by individuals who owe one of three individual Retirement Arrangement taxes on excess contributions, premature distributions and certain accumulations in IRA accounts or annuities.

Form 5500-K no longer is required for plans in which an owner-employee is the only participant in 1978 and all previous plan years, nor is it required for partnerships when the only plan participants are partners who own more than a 10 percent interest in either the capital or profits of the partnership.

In July the General Accounting Office issued a report entitled, "Further Simplification of Income Tax Forms and Instructions Is Needed and Possible." The report stated that although the IRS has progressed in making the forms and instructions easier to read and understand, more can be done. GAO suggested that the IRS establish a high-level task force to improve the forms. This task force, consisting of the Commissioner, Deputy Commissioner, and several Assistant Commissioners, has met and is developing a plan of operation.

Also, public hearings on the forms were held in Denver, Colo.; Des Moines, Iowa; Columbia, S.C., and Columbus, Ohio. Although many of the suggestions will help to improve the 1978 tax forms under existing law, others require change in the law.

Publications

Continuing a policy adopted in recent years, the IRS distributed a number of publications free of charge. During this year, 3.1 million copies of Publication 17, *Your Federal Income Tax*, were distributed, along with 1.1 million copies of Publication 334, *Tax Guide for Small Business* and 830,000 copies of Publication 225, *Farmer's Tax Guide*. Additional tax materials including tax return forms were furnished

on request to over six million individual taxpayers, 600,000 tax practitioners and 360,000 employers.

Besides the three comprehensive tax guides, the IRS issues over 80 smaller publications concerning specific topics under the income tax, excise tax, exempt organizations, pensions and annuities, and estate and gift tax statutes.

Three of the publications were written in Spanish — Publications 579S, 556S, and 586S — explaining basic rules about preparing and filing a tax return, taxpayer rights if a return is examined and the taxpayer's payment responsibilities if additional tax is due.

Graphic Arts Cited

The IRS publishes a variety of publications to assist taxpayers. Since much of the information that must be explained is complex, considerable effort is made to produce publications written and designed to communicate effectively.

A long list of design awards won in recent years attests to the success of this effort. In 1978, for example, the taxpayer information publication *Farmer's Tax Guide* and the *Understanding Taxes* student text and announcement poster were selected for the annual Art Director's Club exhibition in Washington, D.C. The *Understanding Taxes* student text received a Silver Medal Award for design excellence.

Information Dissemination

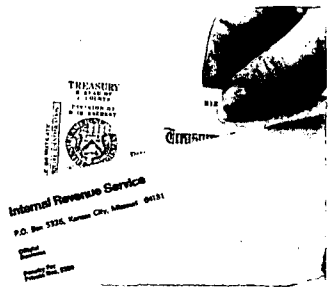
The IRS relies heavily on the mass media to inform the public about its operations and to explain tax laws, regulations, rulings and procedures. During 1978 material was sent to 16,067 radio and TV stations, daily and weekly newspapers, magazines and special publications. Additionally, IRS personnel participated in 16,158 interviews and answered 18,568 media inquiries.

The IRS issued 4,901 news releases to the media covering substantive technical and procedural matters, tax forms and publications, statistics, speeches by IRS officials on important tax topics and organizational changes. There also were releases to assist taxpayers in meeting due dates and properly filling out forms and in understanding their rights and responsibilities under the tax law.

Four IRS half-hour color films presented information on the American tax system, audit and appeal rights and responsibilities, tax aspects of running a small business and how to prepare a tax return. These films, two of which also were released in Spanish, appeared 514 times on TV across the nation and 3,045 times before professional, trade, civic, educational and other groups.

"Where's My Refund?"

In an effort to respond more timely to taxpayer inquiries about not receiving a refund, the IRS, in 1978, began to put all these requests on magnetic tape before forwarding them to the Bureau of Government Financial Operations. Additionally, all inquiries for nonreceipt of refunds are now monitored by the Integrated Data Retrieval System to improve responses and to eliminate duplicate follow-up action.



Resolving Problems

Under the Problem Resolution Program (PRP), the IRS attempts to resolve taxpayers' complaints not satisfied through normal channels and to identify systemic and procedural problems needing correction. During 1978 approximately 66,000 taxpayer problems were resolved through PRP.

The program was continuously reviewed this year with procedures rewritten to provide more uniformity and visibility and to expand PRP to service centers. Many systems and procedural changes have resulted from PRP, improving IRS efficiency and responsiveness to the public.

A major success of the program has been the establishment of liaison with other government agencies to assist in the resolution of taxpayer problems, such as lost and stolen refund checks, and internal processing problems, such as incorrect social security numbers.

Making Information Available

Reflecting the IRS's attitude that responding promptly to requests for information and documents under the disclosure laws and the Freedom of Information and Privacy Acts is an important part of service to the public, the Disclosure Operations Division and its field counterpart were moved from the Compliance function to the Office of the Assistant Commissioner (Taxpayer Service and Returns Processing). During Calendar Year 1977, 7,913 requests were received for documents not available in IRS Freedom of Information Reading Rooms. Of these 5,438 were granted in full and 748 in part. The National Office Reading Room responded to 18,415 requests for information.

The IRS received 738 requests for access to records under the Privacy Act of which 475 were granted in full and 95 were granted in part. Only 10 requests were received to amend records.

The IRS increased its efforts to maintain the confidentiality of tax returns and return information by increasing disclosure training for employees, beginning an annual review of safeguards of other federal agencies that are entitled under the law to obtain confidential tax information and by implementing recordkeeping and reporting requirements for the disclosure of tax returns and return information.

The Tax Reform Act of 1976 revised the disclosure provisions in the tax law by considerably restricting the circumstances under which, and the methods by which, federal agencies may obtain tax information for nontax purposes. It also requires that those who have access to such information maintain safeguards for its protection. Federal tax information received by states may be disclosed only to state agencies charged with administering state tax laws, upon request of the head of the state tax agency. A new provision permits disclosure of tax information to federal, state and local child support enforcement agencies for the purpose of collecting child support obligations. Among disclosures made in this year were 3,148 to the Department of Justice, 35,249 to child support enforcement agencies and approximately 80,000,000 to state tax agencies.

The exchange of confidential tax information with the states is intended to increase tax revenues, reduce duplicate audits and increase taxpayer compliance. IRS field disclosure officers visit each state tax agency semiannually to check on the adequacy of their systems for safeguarding the confidential information provided to them. All federal/state agreements on coordination of tax administration that were in effect before enactment of the Tax Reform Act of 1976 were amended. There are now 97 agreements in effect.

Preparer Ethics

The Tax Reform Act of 1976 requires tax return preparers to conform to general conduct standards and to follow specified disclosure and reporting rules. The Act also provides penalties ranging from $25-$500 for noncompliance with the law and regulations to help protect the public from certain questionable practices and abuses in the preparation of tax returns.

The IRS has taken several steps to inform the public — specifically the preparer community — of the provisions of the Act. Proposed instructions for preparers were printed in informational forms packages, a new question-and-answer publication was issued, a letter was sent to all preparers of record and various news releases and information letters were distributed with specific examples of practitioner errors, particularly those concerning the correct reporting of identifying data. As a result, about 95 percent of all tax returns and claims for refund filed had the correct identifying data.

Helping Other Countries

In 1963 the IRS, through the Tax Administration Advisory Services Division (TAAS), in cooperation with the Agency for International Development (AID), initiated a program to assist foreign governments in modernizing their tax administration systems. IRS advisors have been assigned to thirty-seven countries, the Caribbean Community and the Central American Secretariat for Economic Integration for periods from two weeks to several years. Funding is provided by AID, the recipient countries or international agencies.

This year long-term assistance programs were completed in El Salvador, Uruguay, Trinidad and Tobago and on-site projects were initiated in Egypt, Liberia, Jordan,

the Northern Mariana Islands and the Trust Territory of the Pacific Islands. New projects are pending for El Salvador, Sierra Leone and the Caribbean. Also, diagnostic surveys were completed in Nicaragua, Egypt and Jordan, and a follow-up assessment was made of the Trinidad and Tobago project.

Since 1963 over 5,000 visitors from 127 countries have visited the Service for orientation and study observation programs. This year 387 officials from 66 countries participated.

There was an increase in the number of representatives from France, Italy, and the United Kingdom who were interested in IRS automation, organizational structure and the voluntary compliance, self-assessment system. There were also frequent exchange visits between Canadian National Revenue and IRS officials.

The IRS presented a seven week middle management seminar in tax administration for tax officials from six countries and a six-week orientation in automatic data processing, sponsored by the Organization for European Community Development. Participants in Harvard's International Tax Program, two International Monetary Fund public finance groups, and a group of high

level Nigerian civil servants, sponsored by Brookings Institution, also visited the IRS.

The IRS participated in the 26 member country Inter-American Center of Tax Administrators' (CIAT) Twelfth General Assembly in Port of Spain, Trinidad and Tobago, in May 1978 where the Commissioner made a presentation on, "Developing Tax Laws, Administrative Rules, and Procedures for Resolving Taxpayers' Disputes." Through CIAT, the IRS provided automatic data processing and systems analysis help to the Dominican Republic, Honduras and Guatemala. The Director of TAAS finished his term as a member of CIAT's Executive Council and the Assistant Commissioner (Data Services) served as a member of the ADP Advisory Committee.

State, Local and Campus

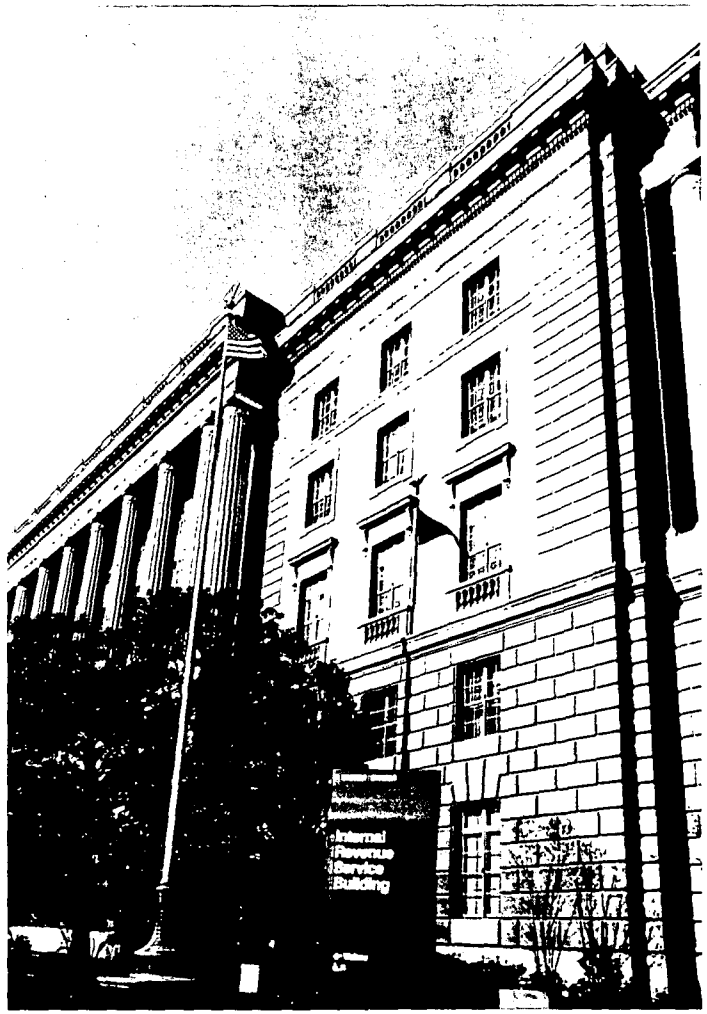
TAAS has coordinated 32 assignments to 10 states, Puerto Rico, Guam, the Virgin Islands and the University of Southern California, under the Intergovernmental Personnel Act of 1970 (IPA).

Earned Income Credit

The IRS continued to alert the public about the Earned Income Credit (EIC), which benefits low income taxpayers. With the cooperation of other federal agencies, such as the Departments of Health, Education and Welfare, Agriculture and Labor, we sent special notices to those considered eligible for the Earned Income Credit. Also, nearly 1 million notices were sent to taxpayers who filed returns without claiming the EIC who possibly qualified according to their tax return information. As a result, nearly 452,000 additional claims for the EIC were allowed.

During January 1 through September 30, approximately 5.6 million taxpayers claimed the EIC for a total of approximately $1.1 billion, averaging out to nearly $203 per taxpayer. Individuals who filed returns only to claim the EIC received almost 6 percent of these credits.

Enforcing the Law



Enforcing the Law

Examinations

When returns are filed they are reviewed by IRS employees and computers. They are first checked manually for completeness and for such obvious errors as the claiming of a partial exemption or duplicate deductions. Then the IRS computers check the taxpayer's arithmetic and pick up other errors that may have escaped manual detection.

How Returns Are Selected

The IRS examines returns to help ensure a high degree of voluntary compliance. The primary method used by the IRS in selecting individual returns for examination is a computer program of mathematical formulas — the Discriminant Function System (DIF) — that measures the probability of error. Returns selected by the DIF system are screened manually and those confirmed as having the highest potential of error are assigned for examination. New DIF formulas for individual returns were developed in 1978 and will be used for returns filed in 1979. Since DIF was introduced in 1969 the number of individual taxpayers whose examinations resulted in no tax change has been reduced from 43 percent in 1968 to 24 percent indicating the superiority of the DIF selection system over manual selection for most returns.

Returns may also be selected for examination under the Taxpayer Compliance Measurement Program, a system that makes a random selection of returns which is a statistical sample of the classes of taxpayers being examined. Examinations under this program are more intensive because the results are used to develop information required for research purposes, such as the measurement of compliance and to update DIF formulas. Compliance measurement is an important factor in determining audit coverage of different classes of taxpayers.

Computer selection of returns is complemented by manual selection. For example, if the IRS examines a partnership return, the returns of the partners also may be examined. Returns of shareholders and executives may be examined in connection with the examination of their corporation. Other returns may be selected based on information documents filed by payers of wages, dividends and interest. 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.

Examination Results

The IRS examined 2,328,812 tax returns of all types in 1978. Of those, 169,390 were examined in service centers, compared to 150,730 last year, an increase of 12 percent. 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 covered 728,253 returns, an increase of 27,450 returns or 4 percent from last year. There were 1,431,169 returns examined by tax auditors under office audit procedures — a decrease of 86,507 returns or 6 percent from last year.

Examination coverage of income, estate and gift tax returns, excluding partnerships and Forms 1120S, was 2.28 percent compared to 2.46 percent in 1977. The coverage, including partnerships and Forms 1120S, was 2.29 percent compared to 2.44 percent in 1977.

An accompanying table shows returns examined in 1976, 1977 and 1978.

The Service's examination program resulted in approximately $6.3 billion in recommended additional tax and penalties. The total recommendations include returns subject to appeal by taxpayers to the Appellate Division and the Tax Court.

Number of Returns Examined (Examination Divisions)
Fiscal years 1976-1978

Type of Return	1976[1]	1977[1]	1978
Revenue Agents Total	**746,329**	**700,803**	**728,253**
Income Tax Total	**530,445**	**490,611**	**505,876**
Individual	320,750	288,810	306,433
Fiduciary	17,078	10,740	11,499
Corporation	160,628	167,450	147,273
Partnership	19,751	13,604	27,579
Subchapter S Corporation	12,238	10,007	13,092
Estate and Gift Tax	48,344	44,567	39,786
Excise & Employment Tax	167,540	165,625	182,591
Tax Auditors Total	**1,609,270**	**1,517,676**	**1,431,169**
Income Tax Total	**1,546,103**	**1,454,114**	**1,369,820**
Individual	1,544,359	1,453,246	1,369,419
Fiduciary	100	141	43
Corporation	680	239	67
Partnership	850	448	249
Subchapter S Corporation	114	40	42
Estate and Gift Tax	10,846	9,237	5,257
Excise & Employment Tax	52,321	54,325	56,092
Service Center Total	**142,667**	**150,730**	**169,390**
Income Tax—Individual	136,645	150,730	169,390
Excise Tax	6,022	—	—
Grand Total	**2,498,266**	**2,369,209**	**2,328,812**
Income Tax Total	**2,213,193**	**2,095,455**	**2,045,086**
Individual	2,001,754	1,892,786	1,845,242
Fiduciary	17,178	10,881	11,542
Corporation	161,308	167,689	147,340
Partnership	20,601	14,052	27,828
Subchapter S Corporation	12,352	10,047	13,134
Estate and Gift Tax	59,190	53,804	45,043
Excise & Employment Tax	225,883	219,950	238,683

[1] Data revised from previous annual report

Assessments totaled $5 billion, $4.1 billion in tax and penalties and $913 million in interest. In 1977 assessments were $3.4 billion in tax and penalties and $650 million in interest. An accompanying table shows the recommended additional tax and penalties for 1976, 1977 and 1978.

Examiners are required to determine a taxpayer's correct liability and to ensure that taxpayers neither overstate nor understate their liability. Service examinations disclosed overassessments on 132,600 returns, accounting for refunds of $312 million. In 1977 there were 122,003 returns with refunds of $281 million.

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

Item	1977	1978
Additional tax, penalties and interest assessed, total	**4,930,447**	**6,668,304**
From examination of tax returns, total	4,084,135	4,993,858
Income tax, total	3,390,508	4,262,434
Corporation	1,982,748	2,690,597
Individual and fiduciary	1,407,760	1,571,836
Estate and gift tax	463,431	468,109
Employment tax (including withheld income tax)	173,150	203,288
Excise tax	57,047	60,028
From delinquent returns secured by Collection function	500,971	989,000
From delinquent returns secured by Examination function	345,341	685,446
Delinquent taxes collected, total	**3,068,673**	**3,013,963**

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. There were 663,173 returns checked by the Examination Division in service centers in 1978 compared to 913,460 for 1977 — a 27 percent decrease.

Of those checked, 169,390 were examined, while the remainder, a total of 493,783 returns were verified and corrected, compared to 762,730 in the previous year. The decrease occurred primarily because of the continuing impact of the Tax Reform Act of 1976, which allows certain errors to be corrected during initial returns processing.

Computer Assisted Examinations

The Service uses computer programs in the examination of automated accounting systems used by taxpayers. Both taxpayers and the IRS save time and expense since computer procedures take a fraction of the time required to do the same job manually.

Over 12,000 computer applications were performed in 1978 — an increase of 2,000 over 1977. The applications are done by computer specialists who are experienced revenue agents with intensive training in computer systems, hardware, programming languages and examination techniques.

Coordinating Examinations

Financial institutions and utilities whose gross assets exceed $1 billion are included in the Coordinated Examination Program. Other corporations are included in the program if gross assets exceed $250 million.

Coordinated examinations involve complex accounting systems and the IRS uses teams consisting of experienced revenue agents, economists, computer specialists, engineer agents, international and excise tax examiners and employee plans specialists to examine these corporate returns.

Recommended Additional Tax and Penalties (Examination Divisions)
(In millions of dollars)
Fiscal years 1976-1978

Type of Returns	1976[1]	1977[1]	1978
Revenue Agents Total	**4,538.5**	**4,453.3**	**5,643.3**
Income Tax Total	**3,710.7**	**3,579.0**	**4,569.4**
Individual	953.3	1,066.3	1,194.4
Fiduciary	35.5	47.4	44.9
Corporation	2,717.1	2,455.5	3,299.2
Partnership	—	—	—
Subchapter S Corporations	4.7	9.8	30.9
Estate and Gift Tax	603.1	657.3	703.8
Excise & Employment Tax	224.7	217.0	370.1
Tax Auditors Total	**418.8**	**472.4**	**466.8**
Income Tax Total	**384.0**	**441.3**	**440.8**
Individual	383.1	441.0	440.8
Fiduciary	.1	1	—
Corporation	.8	.2	—
Partnership	—	—	—
Subchapter S Corporation	—	—	—
Estate and Gift Tax	15.0	12.5	7.1
Excise & Employment Tax	19.8	18.6	18.9
Service Center Total	**222.7**	**131.5**	**150.2**
Income Tax—Individual	222.1	131.5	150.2
Excise Tax	.6	—	—
Grand Total	**5,180.0**	**5,057.2**	**6,260.2**
Income Tax Total	**4,316.8**	**4,151.8**	**5,160.3**
Individual	1,558.5	1,638.8	1,785.3
Fiduciary	35.6	47.5	44.9
Corporation	2,717.9	2,455.7	3,299.2
Partnership	—	—	—
Subchapter S Corporation	4.7	9.8	30.9
Estate and Gift Tax	618.1	669.8	710.9
Excise & Employment Tax	245.1	235.6	389.0

[1] Data revised from previous annual report.

At the end of 1978 there were 1300 corporations in this program, with 3.2 open years per corporation.

During 1978 the IRS continued its practice of conducting industrywide examinations of major companies in a given industry. Ten industries currently are being examined by this approach and two more are in the planning stage.

Tax Shelters

In recent years, there has been a proliferation of limited partnership syndications using high-leverage borrowing together with special statutes to create tax deductions or losses that are lacking in economic reality. Through artificial transactions, questionable legal interpretations and other gimmicks, large purported tax deductions are developed and marketed by promoters to high-bracket taxpayers.

The IRS has been engaged in the vigorous pursuit of abusive tax shelters since 1973, with the establishment of a program that began with audits in the oil and gas industry. In 1974 and 1975, the program was expanded to include real estate, farming and motion picture shelters. Efforts have included identifying tax shelter cases, educating agents to recognize tax shelter issues, developing IRS position on key issues and identifying cases for early litigation.

An important element of the shelter program is the examination of partnership returns. For 1978, audit coverage of partnership returns in general was doubled from 1.5 percent to 3 percent. For partnership returns in the high-loss category, over $25,000, audit coverage was approximately 24 percent. This, coupled with information obtained from the (SEC) and state agencies, and the use of computer programs to analyze, identify, and retain data on partners and partnerships, gives the IRS an improved capability to identify partnership returns which warrant examination.

To ensure compliance with the 1976 Tax Reform Act, the tax shelter program has been further expanded to include master recordings, coal, books, lithographs and other areas identified as potentially abusive.

Joint Committee Review

The *Internal Revenue Code* requires that all income, estate, gift, private foundation and pension plan tax refunds and credits in excess of $200,000 be reported to the Joint Committee on Internal Revenue Taxation. This year 978 cases involving overassessments of $1.1 billion were reported to the Joint Committee, as compared with 997 cases and $984 million in 1977.

Simultaneous Examinations

The IRS developed a working arrangement with the United Kingdom Board of Inland Revenue for simultaneous examinations of multinational taxpayers. This is the second such arrangement between the United States and another country — the first was with Canada in 1977.

Under this arrangement the United States and the United Kingdom separately examine taxpayers under their respective jurisdictions. Before an audit begins representatives of each country meet to plan and coordinate the examination. During each stage of the examination information is exchanged in accordance with the tax treaty between the countries.

Oil Industry

The IRS also implemented an oil industry program by forming an oil taxation unit in the Southwest regional office in Dallas, Texas. Among the unit's principal functions are making determinations and recommendations on certain issues; negotiating letters of agreement on these issues; coordinating selected industry issues and examination activities; developing pricing methods and examination techniques unique to the oil industry, and making industry analyses.

Enrolled Agents

The Special Enrollment Examination enables individuals who are not attorneys or certified public accountants to demonstrate their competence in tax matters and become enrolled to represent taxpayers before the IRS.

The current examination, patterned after the CPA examination, is divided into four parts and emphasizes federal tax laws as they apply to business operations: sole proprietorships, partnerships and corporations. The questions focus on the tasks enrolled agents must perform to file complete forms and returns and to represent taxpayers before the Service. Candidates are required to pass each part though they may retain credit for any part passed and need only retake those parts failed.

In 1978, 5,425 candidates filed applications, compared to 5,090 in 1977.

Appeals

The IRS encourages the resolution of tax disputes through an administrative appeals system rather than litigation. A taxpayer who disagrees with a proposed change in tax liability is entitled to a prompt, independent review of the case. The appeals system is designed to minimize inconvenience, expense and delay to the taxpayer in resolving contested tax cases.

Before Oct. 2, 1978, district conference staffs were the first level of appeal in tax disputes between taxpayers and the IRS on issues arising from the examination of returns with a second appeal conference with the Appellate Division.

The two levels of appeals were independent of each other and had different authority and jurisdiction. Experience proved that this two-level appeals system was a costly duplication both for the taxpayer and the Service.

During 1978 all IRS appeals functions were consolidated into a single appeals body. Effective Oct. 2, 1978, these activities will be conducted by the Office of the Regional Director of Appeals in each of the seven IRS regions.

Proceedings in the appeals process are informal. 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 is $2,500 or less, the taxpayer may obtain a conference without filing a written protest.

In most cases the taxpayers and the district conferee, or regional appeals officer, reached mutually acceptable agreements, so few cases went to trial. In the past 10 years, 97 percent of all disputed cases were closed without trial. In 1978 the appeals function disposed of 54,715 cases by agreement.

Docketed or Not

Cases considered by the Appellate Division fall into two broad categories: nondocketed and docketed. Nondocketed cases are those in which the taxpayer is protesting a proposed action by an IRS District Director involving additional taxes, a refund disallowance or a rejection of an offer in compromise. These cases made up about 54 percent of the Division's workload in 1978. Docketed cases involve situations where taxpayers have filed a petition for a hearing before the United States Tax Court.

In 1978, 70 percent of nondocketed cases and 73 percent of docketed cases were closed by the Division by agreement with the taxpayer.

Other Appeal Options

If a tax dispute cannot be resolved at the administrative appeals level, the taxpayer is advised of additional appeal rights to the courts.

If the disputed tax does not exceed $1,500 in any tax year, a simple procedure is available under the U.S. Tax Court's small case procedures that permits 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, there is no provision in the law for an appeal of the Tax Court's decision under the small case procedure.

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 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 U.S. Circuit Court of Appeals having jurisdiction. Adverse decisions of the Court of Claims or a Circuit Court of Appeals may be appealed to the U.S. Supreme Court although not all such appeals are accepted.

The Tax Court tried 1,742 cases, and the United States District Courts and the Court of Claims tried 447 cases.

Criminal Investigation

The Criminal Investigation Division is responsible for investigating tax fraud and other criminal violations of the tax laws. The Division's enforcement activities are divided into a General Program and the Special Enforcement Program.

The General Program provides balanced criminal tax enforcement for various types of violations of the tax laws. Several enforcement efforts, such as the questionable refund program and the Illegal Tax Protester Project, have been initiated to correct specific abuses of the tax laws.

The Special Enforcement Program covers the identification and investigation of persons who derive substantial income from illegal activities and violate the tax laws. The program includes strike force activities and a project on high level narcotics financiers and traffickers. In addition, the Criminal Investigation Division this year again began investigating violations of the federal wagering tax laws.

The Division completed 8,713 investigations and recommended prosecution of 3,439 taxpayers. Grand juries indicted or courts filed information on 1,724 taxpayers. Prosecution was completed successfully in 1,414 cases. Taxpayers entered guilty pleas in 1,056 cases, 133 pleaded *nolo contendere;* and 225 were convicted after trial. Acquittals and dismissals totaled 70 and 119 respectively. Of the 1,446 taxpayers sentenced during 1978, 681 or 47.1 percent received jail sentences.

The accompanying table covers the results of criminal action in tax fraud from 1974 to 1978.

Results of Criminal Action in Tax Fraud Cases
1974-1978

	Number of Defendants				
Action	**1974**	**1975**	**1976**	**1977**	**1978**
Plea of Guilty nolo contendere	1,062	1,046	977	1,229	1,189
Convicted after trial	191	173	216	247	225
Acquitted	97	83	77	55	70
Nol-prossed or dismissed	115	168	71	110	119
Total Disposals	**1,465**	**1,470**	**1,341**	**1,641**	**1,603**
Indictments & Informations	1,441	1,495	1,331	1,636	1,724
Percentage of Jail Sentences to Total Sentenced	41.6	40.3	41.5	44.7	47.1

Organized Crime

The IRS cooperates in the fight against organized crime by participating in the Federal Organized Crime and Strike Forces Program. Strike force units located in 13 major cities are headed by attorneys from the Department of Justice. The program objective is to coordinate the combined forces of federal law enforcement agencies against organized crime. The IRS is responsible for detecting criminal tax violations and for ensuring that the income from illegal activities is reported correctly and taxed. The IRS contributed 417 staff years of direct investigative and examination time to the strike force effort during 1978.

Under the program, 107 individuals were convicted or pleaded guilty to tax charges during the year and 582 prosecutions were pending when the year ended. Since the inception of the organized crime program in 1966, some 941 organized crime members and associates have been convicted or have pleaded guilty to tax charges.

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 1978 the IRS completed 323 criminal tax investigations, obtained 65 indictments and achieved 56 convictions of financiers and traffickers.

Collection

The IRS has a Delinquency Prevention Program to identify potentially delinquent taxpayers and to assist them in maintaining compliance, and in preventing future delinquencies.

Nonpayment of taxes withheld from employees' wages is the most serious delinquency problem facing the IRS. The Trust Fund Compliance Program helps ensure that chronically delinquent taxpayers adhere to more strict filing and paying requirements, such as monthly rather than quarterly filing — and making deposits to a special bank account. Violations of certain requirements of the law can lead to criminal prosecution. Some 8300 taxpayers were filing and paying their taxes monthly and 3,936 of these also were required to comply with the latest special bank account provisions of the law. During the first half of this year 75 taxpayers were convicted of criminal violations for not maintaining separate accounting for certain collected taxes.

The Service published "The Collection Process (Employment Tax Accounts)," a booklet explaining the rights and duties of business taxpayers and the IRS in the collection of employment taxes. The publication is sent to business taxpayers with their second delinquency notice or delivered by a Collection representative on initial contact. A similar booklet, "The Collection Process (Income Tax Account)," designed for individual taxpayers, was first published in 1974.

Collection representatives will enter into 60-day payment agreements with delinquent income taxpayers provided the taxpayer: — is unable to pay in full immediately; — has no record of prior delinquencies; — has only one currently delinquent account; — has a delinquency of not more than $5,000, and, — agrees to full payment within 60 days.

If the taxpayer's financial condition indicates that immediate payment of an income tax in full would cause undue hardship, an IRS employee will help that taxpayer prepare a form itemizing monthly income and expenses to determine whether a payment agreement based on maximum ability to pay is in order. In certain cases IRS can arrange through a payroll agreement with the taxpayer's employer to withhold and regularly pay to IRS amounts deducted from wages.

Delinquent Accounts and Returns

The Collection Division disposed of over 2.3 million accounts receivable, including some 342,000 notices sent taxpayers who contacted IRS field offices to resolve the

delinquencies. Collection employees had to initiate contact on the remaining 1.97 million delinquent accounts.

Slightly more than $3 billion in delinquent taxes was collected, with over 1.3 million delinquent return investigations and 108,000 returns compliance leads disposed of by Collection personnel in 1978. Approximately one million delinquent returns were secured, involving nearly $989 million in additional assessments.

International Operations

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

Since OIO established its first office in Paris in 1948, the number of foreign posts staffed by Revenue Service representatives has increased to 14. Currently, 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 Sydney 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.

This marked the 25th consecutive year that taxpayers received tax assistance abroad. Twenty-two assistors were detailed abroad during the year, providing assistance in 145 cities in 80 foreign countries. Approximately 151,000 taxpayers were assisted overseas and several hundred members of the armed forces attended five military tax schools held overseas. The armed forces participants then helped thousands of military personnel prepare their own tax returns.

Toll-free telephone assistance was expanded to all U.S. taxpayers in Puerto Rico during 1978. Further, the Service entered into a tax administration agreement with Puerto Rico that along with agreements with American Samoa, Guam and the U.S. Virgin Islands allows the exchange of taxpayer return information and the development of mutual assistance programs.

U.S. Taxation Abroad

OIO is responsible for ensuring compliance with federal tax laws by U.S. citizens residing in foreign countries and by foreign entities doing business in the U.S. It is also concerned with U.S. businesses controlled by foreign interests and assists in the overseas examination of multinational corporations.

OIO examination and collection activities take place primarily in the U.S. However, OIO does send revenue agents and tax auditors abroad to examine the returns of taxpayers living overseas. Those collection cases that cannot be settled through correspondence are sent to the foreign posts for personal contact.

OIO also administers the social security laws in U.S. Possessions and Puerto Rico and the income tax laws for Puerto Rican residents on income from sources outside of Puerto Rico.

Treaties

Tax treaties with other countries are designed to eliminate double taxation, remove tax barriers to trade and investment and help curb tax avoidance. The U.S. now has income tax treaties with 39 countries and estate tax treaties with 13 countries.

In 1978 meetings were held with tax officials from several treaty countries to improve 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.

A limited number of tax treaties provide for mutual collection assistance and OIO is playing an increasing role on a reciprocal basis in collecting taxes of these treaty partners from aliens in the U.S.

Employee Plans/ 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. EP/EO field staffs are located primarily in the seven regional IRS offices and 19 key districts.

As a result of the reorganization of the IRS, the Office of the Assistant Regional Commissioner (EP/EO) was eliminated and its duties were transferred to the Assistant Regional Commissioner (Examination). The reorganization also transferred EP/EO's appeals procedures to the Office of the Regional Director of Appeals.

The Employee Plans activity administers the Employee Retirement Income Security Act of 1974 (ERISA) with emphasis on developing regulations and procedures. IRS continues to coordinate the implementation of ERISA with the Department of Labor and the Pension Benefit Guaranty Corporation. As part of an effort by IRS to reduce the reporting burdens placed on taxpayers, plan sponsors and administrators are filing the 1977 annual return/report (Form 5500 series) only with IRS. In addition, a single computer system has been developed to provide return and data information needed by the three agencies.

A questionnaire mailout was developed in 1978 to survey employers who received determination letters before the enactment of ERISA but who failed to request a determination letter for their plans to conform to ERISA's requirements. The survey provides an estimate of the volume and expected receipt dates of determination letters and assists the Service in protecting the rights and benefits of plan participants.

Taxpayers have been encouraged to take advantage of IRS approved pattern, field prototype, model, master and prototype plans to reduce the expense and paperwork in complying with ERISA.

Some 7 regulations, 15 revenue rulings and procedures, and 25 news releases were issued, as well as 4,836 National Office opinion letters on master and prototype plans dealing with self employed plans, corporate plans and individual retirement accounts and annuities.

The IRS used an average of 854 field professional positions to carry out employee plans responsibilities. 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 plan contribution deductions. During the year, 214,672 determination letters were issued on corporate and self-employed plans, an increase of 40 percent from 1977. The prohibited transactions activity closed 155 exemption cases, including 23 published proposed and final exemptions covering 116 individual cases.

On Aug. 10, 1978, the President submitted an ERISA Reorganization Plan to Congress, which was approved Oct. 13, 1978. The plan essentially will eliminate overlapping jurisdiction and duplication of effort in the administration of ERISA by separating the authority of the Treasury and Labor Departments.

The Exempt Organizations (EO) activity determines the qualifications of organizations seeking tax-exempt and private foundation status and examines returns to ensure compliance with the law. The number of active entities on the Exempt Organizations Master File increased from 789,666 in 1977 to 810,048 in 1978.

During 1978, 4 regulations, 55 revenue rulings and procedures, 264 technical advice memoranda, 19 announcements, 7 news releases and 8 publications were issued or revised. An average of 379 field professional positions were used to examine 17,238 exempt organizations returns. Also, 121 field professional positions and 97 National Office technical positions were used for 49,687 applications, reapplications and requests for rulings on proposed transactions from organizations seeking a determination of tax-exempt status or of the effect of organizational or operational changes on their status.

The IRS initiated a nationwide examination program on legislative and political campaign activities conducted by labor unions exempt under section 501(c)(5) of the *Internal Revenue Code* and trade associations and professional organizations exempt under section 501(c)(6) of the *Code*. The purpose of the program is to determine the extent of compliance with rules concerning the deductibility of dues paid to such organizations. The program, which will be completed during 1979, also will provide basic tax related information about the nature of these lobbying activities. More than 1,500 organizations were examined.

In August 1978 a proposed revenue procedure was published providing more definitive guidelines to determine whether certain private schools claiming tax exemption operate on a racially non-discriminatory basis as required by judicial decisions.

A system to identify exempt organization returns that may warrant examination was implemented in place of manual classification.

Basic principles and rules for uniform interpretation and application of the federal tax laws involving actuarial matters, are provided by the EP/EO Actuarial Division, which has 17 professional positions.

Managing the Tax System

Managing the Tax System

Planning and Research

During 1978 planning activities included the preparation of the IRS Long-Range Plan and the development of a single, uniform structure for use in planning and zero base budgeting. IRS research activities included testing improved work technologies, development of testimony and other materials for presentation to congressional committees, analysis of pending legislation and a number of statistical and analytical projects to identify optimum program designs and objectives.

Reorganization

During the past year, Planning and Research provided guidance and support for organizational studies within the Office of Employee Plans and Exempt Organizations, the IRS Data Center, the Criminal Investigation Division, the IRS service centers and the Internal Security Division. A comprehensive assessment of the IRS led to significant revisions in operations, including a single level of taxpayer appeal system and the combination of all IRS taxpayer service and information activities into a single organization.

The Accounts, Collection and Taxpayer Service (ACTS) organization has been redesignated Taxpayer Service and Returns Processing. It now includes the taxpayer information activity which was formerly assigned to the Public Affairs Division, and the Disclosure Division, formerly part of Compliance. The Collection Division from the old ACTS organization has been shifted to the Assistant Commissioner (Compliance), consolidating all enforcement activities under a single authority.

Another change was the creation of a new unit at the district level to provide centralized administrative and support services. Previously, field operating functions had staffed and equipped their own support units.

The IRS's Administration organization was renamed "Resources Management." In addition to retaining the traditional Administration activities, such as training, administrative servces, fiscal management, etc., Resources Management also is responsible for the new district office Centralized Services unit and for a new security function, formed to improve IRS safeguards of tax returns and other taxpayer records. The 12 smallest IRS offices were streamlined, eliminating some positions and drawing on nearby larger districts for administrative support and recordkeeping.

To more accurately describe their roles, "Audit" and "Intelligence" Divisions have been redesignated as "Examination" and "Criminal Investigation."

Studies

As a part of IRS's efforts to simplify tax returns and the tax filing process, a short questionnaire was included in a randomly selected sample of 1977 tax packages to identify aspects of the tax returns, instructions and schedules that taxpayers find difficult to understand. It also sought to determine how taxpayers try to overcome their returns preparation problems and solicited suggestions for simplifying the forms.

Among the 7,600 respondents, only 29 percent of 1040 filers and 11 percent of 1040A filers said that they had difficulty in understanding the tax returns or instructions. The tax computation portions of the tax forms were cited as causing the most difficulty. Most respondents said they cope with their preparation problems by rereading the instructions. The survey results suggested that further simplification of the tax forms and instructions would not significantly alter the proportion of respondents who seek professional assistance.

IRS contracted with the Opinion Research Corporation of Ann Arbor, Mich., to determine the potential demand for free IRS return preparation services. The results of this survey will be used in a comprehensive review of the Service's current returns preparation policy.

The first IRS examination of the economic, social and behavioral factors that promote or discourage individual taxpayer compliance was undertaken in 1978. The Service awarded an 18-month contract to Westat Corporation of Rockville, Md., to conduct a study to develop methods for measuring the impact of factors affecting individual taxpayer compliance. Once a working methodology is developed, further research will be conducted to apply the study findings to tax administration program evaluation and planning.

The IRS initiated a series of studies to determine how well taxpayers understand and comply with the approximately 85 provisions of law that permit the deferral of certain tax consequences to subsequent years. Some of the studies cover deferred gains on sales of personal residences, losses from activities not engaged in for profit, reductions of stock cost basis and the recapture of the new residence purchase credit if the residence is sold within three years of purchase. Other areas include deferred gains on installment sales, changes in accounting methods, at-risk loss limitations for various business activities, and generation-skipping trusts. The results of these studies will be used to determine the need for a system to track and better enforce individual taxpayer obligations under the deferred tax provisions.

There are civil penalties in the tax law for the violation of approximately 75 different rules governing the filing of tax returns, the timely payment of taxes due and reporting federal tax liability. The IRS began a review of these provisions to assess their fairness, effectiveness and administrability. Upon completion of the study, scheduled for Fiscal Year 1979, legislative recommendations may be developed. The study also will consider proposals for improving the administration of penalties and for monitoring their effectiveness.

Also during the year, a study was begun on the much publicized "subterranean economy" — income received by individuals but not reported on tax returns. This study is to evaluate all available estimates of a "subterranean economy," to present the IRS's best estimates of unreported income and tax gaps, and to discuss the findings in terms of future planning, research and compliance efforts. It will be completed during FY 1979.

Watching Legislation

Planning and Research is responsible for analyzing legislative proposals affecting the IRS and for determining their administrative implications. Once legislation is enacted, a plan for implementing each provision is developed and coordinated with those functions responsible for administering the legislation. Approximately 55 bills were analyzed for their impact on IRS activities and implementation plans were developed and carried out for 11 new public laws.

Productivity

A program was established to provide expanded incentives for promoting productivity at all IRS levels. The goal of this program is to improve efficiency by substituting investments in technology for staff, particularly in work processing, clerical and other routine operations. An important part of the program is a productivity enhancement fund for financing projects that improve procedures, techniques and equipment. IRS will prepare an annual productivity plan, hold productivity management seminars and improve work measurement systems.

Measuring Compliance

The Taxpayer Compliance Measurement Program (TCMP) is a continuing enforcement and research effort by which IRS estimates the nature and extent of tax law compliance. The TCMP data also are used to develop computer routines for selecting returns for examination. TCMP data are derived from examinations of tax returns selected on the basis of random probability samples.

During 1978 work continued on the first TCMP survey of fiduciary returns and on the sixth survey of individual income tax returns. Field examinations also were initiated for the third corporate TCMP survey. For the first time this survey was expanded to include corporate returns filed with no balance sheets, as well as those returns with assets up to $10 million. Plans are now being made to initiate the first TCMP survey of employee benefit plans in July 1979 and a second survey of tax exempt organizations, beginning in January 1980.

Automating Examinations

For over five years, IRS has been operating a Computer Assisted Examination Program (CAEP), under which specially trained revenue agents examine the books and records that large corporations maintain on magnetic tape or disk files. IRS computer audit specialists have had to rely extensively on the use of taxpayers' computer equipment for developing and debugging software routines used in examinations. A 1978 study found that CAEP productivity would be enhanced substantially by providing computer audit specialists with terminals at their posts of duty to access a time sharing system upon which computer audit routines could be developed and tested. A plan to provide such a capability is now under development.

Optical Scanning

Recent developments in electro-optical technology have given rise to the possibility of using scanning equipment to record the data reported by taxpayers on their returns. During the past two years IRS tested the performance of this technology on machine prepared tax documents, such as Forms 1099 and 941, to determine what changes must be made in IRS forms and procedures before optical character recognition (OCR) can be used. Meanwhile, plans are being made to test the feasibility of OCR processing of Forms 1040A. During 1979 IRS also plans to conduct a joint test with the Treasury Department on the use of OCR to process Federal Tax Deposit forms that combine both machine and handwritten input.

Federal-State Test

The IRS is working with the National Association of Tax Administrators to promote the filing of Forms 1099 and 1087 information documents on computer tape. Under the test program—which will begin in Calendar Year 1979 using Tax Year 1978 information filed principally by institutional taxpayers in California, Minnesota, and New York — IRS will process the magnetic tapes, retaining information for federal tax purposes and simultaneously producing information for use by the states in whatever medium and format they require. This arrangement will reduce recordkeeping and filing requirements for taxpayers and accelerate the use of more efficient electronic media by both the IRS and state tax administrations. If the test is successful it will be a model for a similar arrangement among institutional filers, the IRS, the Social Security Administration, and the states in handling information from the Form W-2, withholding statement.

Publishing Statistics

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 1978 covered individual income tax returns for 1976 and corporation and business returns for 1975. As required by the Tax Reform Act of 1976, the 1976 report for individuals included statistics on the tax liability of persons with high total income computed by using several different concepts. Detailed statistics for 1975 and 1976 also were provided to Treasury's Office of Tax Analysis for a special publication on high income taxpayers.

An SOI supplemental report on individual income tax returns also was published, providing certain 1974 information for each county and for the 125 largest metropolitan areas.

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

Special statistical studies done for Treasury included information on sales of capital assets reported on individual income tax returns, the New Jobs Tax Credit introduced by the Tax Reduction and Simplification Act of 1977 and the foreign tax credit and tax exempt income earned abroad as reported on individual income tax returns.

Data also were provided to Treasury for reports to Congress on Domestic International Sales Corporations, U.S. taxpayers that participated in international boycotts and the revised system of taxing domestic corporations on their operations in Puerto Rico and U.S. possessions.

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

Receipts and Profits Reported by Businesses, Income Year 1975
[All figures are estimates based on samples—number of businesses are in thousands—money amounts are in millions of dollars]

Industry	Number of businesses			Total receipts			Net income (less deficit)[1]		
	Active corporations	Sole proprietorships	Active partnerships	Active corporations	Sole proprietorships	Active partnerships	Active corporations	Sole proprietorships	Active partnerships
Total	**[2]2,024**	**10,882**	**1,073**	**3,198,627**	**339,221**	**148,418**	**142,636**	**44,611**	**7,738**
Agriculture, forestry, and fishing	56	3,367	123	28,119	69,290	13,326	747	5,587	896
Mining	14	56	16	65,909	3,531	4,242	23,574	283	-500
Construction	191	892	61	146,955	31,013	12,572	2,236	4,389	794
Manufacturing	217	222	29	1,296,359	8,679	6,949	68,406	1,040	341
Transportation and public utilities	80	355	17	243,480	10,009	2,503	10,099	1,261	-25
Wholesale and retail trade	614	2,193	193	969,938	148,328	45,641	22,489	9,860	2,659
Finance, insurance, and real estate	411	744	434	315,795	12,138	32,406	11,663	3,762	-3,652
Services	436	3,034	199	131,377	55,997	30,765	3,396	18,385	7,224
Nature of business not allocable	2	19	([3])	692	238	14	23	44	1

Note: Income year 1975 covers accounting periods ended July 1975 through June 1976. Detail may not add to totals due to rounding.
[1] 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.
[2] Includes approximately 38,300 consolidated returns with 132,400 subsidiaries.
[3] Less than 500.

Individual Income Tax Returns: Number of Returns, Sources of Income, and Itemized Deductions, 1972-1976
[All figures are estimates based on samples]

Item	Income year 1972	1973	1974	1975	1976
A. Number of returns			(Thousands)		
Total Forms 1040 and 1040A	**77,573**	**80,693**	**83,340**	**82,229**	**84,670**
Taxable	60,869	64,267	67,335	61,491	64,421
Nontaxable	16,704	16,425	16,005	20,739	20,249
Returns with itemized deductions, total	**26,980**	**28,047**	**29,564**	**26,074**	**25,951**
Taxable	25,709	26,868	28,340	24,522	24,594
Nontaxable	1,272	1,180	1,225	1,552	1,357
Returns with standard deductions, total[1]	**50,592**	**52,645**	**53,776**	**56,155**	**58,719**
Taxable	35,161	37,400	38,996	36,969	39,821
Nontaxable[1]	15,432	15,246	14,780	19,186	18,898
B. Sources of income			(Million dollars)		
Adjusted gross income less deficit, total	**745,975**	**827,148**	**905,523**	**947,785**	**1,053,896**
Salaries and wages	622,599	687,179	758,629	795,399	880,999
Business, farm, and profession	38,559	45,330	44,043	42,985	47,955
Dividends in adjusted gross income	16,794	18,734	20,888	21,892	24,462
Interest received	27,400	32,174	39,543	43,434	48,588
Partnership	11,058	11,159	11,013	10,751	11,682
Net capital gains	17,075	16,672	13,470	14,072	18,562
All other income	12,490	15,900	17,937	19,252	21,648
C. Itemized deductions			(Million dollars)		
Itemized deductions, total	**96,665**	**107,035**	**119,406**	**122,261**	**133,891**
Taxes	36,166	39,374	43,321	44,141	49,610
Interest paid	27,347	31,942	37,369	38,885	43,415
Contributions	13,208	13,896	14,851	15,393	16,792
Medical and dental expense	10,100	10,722	11,455	11,422	12,160
Other deductions	9,844	11,101	12,410	12,420	11,914

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] Includes returns with no adjusted gross income.

Tax Models

Developed in the early 1960's to meet Treasury's need for timely estimates of the impact and revenue effects of proposed tax legislation, tax models also have proved to be valuable tools for economic planning. Five basic models — individuals, corporations, sole proprietorships, partnerships, and estates — are revised each year to reflect changing levels and patterns of income. Each model consists of generalized manipulation and table-generating computer programs, used with Statistics of income files containing the most current available year's tax return data.

Projecting Returns Filed

Planning throughout IRS is based on projections of the number of returns to be filed. This requires workload projections

Selected Types of Returns Filed in 1977 and Projected for 1978, 1979, 1980, and 1985, by Calendar Year
(Returns in thousands)

Type of return	Actual 1977	Estimated 1978	Projected 1979	1980	1985	Percent change 1977-1985
Total Primary returns and supplementals	**133,796**	**136,945**	**141,739**	**145,426**	**163,348**	**22.1**
Total Primary returns	127,768	130,261	134,512	137,469	150,817	18.1
Individual total	85,753	87,710	91,224	93,600	104,077	21.4
Form 1040A	29,028	34,168	34,797	35,421	38,269	31.8
Form 1040	56,596	53,426	56,306	58,057	65,672	16.0
Other[1]	129	116	121	122	136	5.4
Individual declaration	8,133	8,052	8,181	8,349	8,870	9.1
Fiduciary	1,676	1,821	1,939	2,052	2,717	62.1
Partnership	1,166	1,187	1,210	1,235	1,348	15.6
Corporation[2]	2,273	2,348	2,408	2,471	2,812	23.7
Estate	222	152	146	139	151	−32.0
Gift	349	237	257	278	400	14.6
Employment[3]	25,078	25,612	25,931	26,093	27,011	7.7
Exempt organization[4]	543	526	541	557	638	17.5
Employee plans[5]	1,098	1,126	1,173	1,187	1,261	14.8
Alcohol, Tobacco and Firearms returns[6]	563	567	567	566	562	−0.2
Excise[7]	914	923	935	942	970	6.1
Total Supplemental documents[8]	6,028	6,684	7,227	7,957	12,531	107.9

[1] Includes Forms 1040NR, 1040PR, 1040SS, 1040C, and 1042
[2] Includes Forms 1020, 1120 Special, 1120F, 1120-DISC 1120-H, 1120-POL, and 1120S.
[3] Includes Forms 940, 940PR, 941, 941E, 941PR, 941SS, 941M, 942, 942PR, 943, 943PR, CT-1, and CT-2
[4] Includes Forms 990, 990-C, 990-PF, 990-T, 4720, and 5227
[5] Includes Forms 5500, 5500C and 5500K
[6] Includes Forms 7, 8, 11, 4705, 4706, 4707, 4708, Alcohol, and Tobacco
[7] Includes Forms 11B, 11C, 720, 720M, 730, 2290, and 4638
[8] Includes Forms 1040X, 1120X, 2688, 4868, 7004, 7005, 2438, 990AR, 5300 Series, 4578 and 5329

for the entire United States as well as for service center areas, regions and districts.

Special projections are made for research purposes. Work planning 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.

The number of primary returns and supplemental documents is expected to grow from 133.8 million in 1977 to 163.3 million in 1985. This increase of 22.1 percent reflects the expected growth in population and economic activity.

Resources Management

Resources Management — redesignated from Administration under the reorganization — is responsible for fiscal management, personnel, facilities management, training, centralized services, employment policy, security standards and evaluation and management improvement.

Security

A Security Standards and Evaluation Division was established, consolidating responsibilities that previously were placed in several different organizations. The Division is responsible for a comprehensive Servicewide security program. The program provides reasonable protection for employees and protection against loss, destruction or compromise of tax and other protected information, facilities and property, data systems and other assets.

Equal Employment

Total full time regular employment from July 1977 through July 1978 increased by 2.9 percent, while the number of women increased by 5.9 percent and the number of minorities by 7.8 percent.

Women and minorities made gains in 19 of the 20 most populous IRS occupations, including revenue agent, revenue officer, tax auditor, attorney and criminal investigator. The number of women and minorities at grades GS-13 and above also increased — women from 3.8 percent to 4.5 percent and minorities in these positions from 5.4 percent to 5.8 percent — but more needs to be done.

Training to instruct special emphasis coordinators in programs for federal women, Hispanic employment, upward mobility and Blacks was developed and piloted. Also, about 100 EEO counselors received training in handling class discrimination complaints.

During the year the Service observed Black History Week as well as Hispanic Heritage Week and Women in Government Month.

Labor-Management

In mid-1977 the Assistant Secretary of Labor for Labor Management Relations ruled in favor of the National Treasury Employees Union's petition to consolidate their eleven center bargaining units into two nationwide units. One unit consists of all service centers — except Andover — the Data Center and the National Computer Center. The second unit consists of all districts — except Anchorage — and all regional offices — except the North-Atlantic appellate function and the Southeast Regional Office — and the National Office.

As a result of this consolidation the IRS revised its labor relations case handling procedures, strengthened its basic labor relations training courses to include a complete package in discipline, adverse actions and appeals, and improved its communications between the field and the National Office.

There has been an increase in the Unfair Labor Practice caseload along with a continued upward trend in grievance activity. The IRS republished the agency grievance procedure in handbook form and substantially revised its grievance examiner training course.

Paraprofessional Savings

The IRS has substituted approximately 1,400 paraprofessional positions for higher graded professional and technical positions over the past several years. This was done by splitting off the less complex work present in higher graded professional and technical positions and assigning it to paraprofessional employees at lower grades. This resulted in a savings of approximately $8 million in salary and benefit costs. In addition to the recurring dollar savings, paraprofessional positions also increased the effectiveness and productivity of the IRS's professional and technical employees enabling them to spend more time on higher level work.

Paraprofessional positions have been established in Examination, Collection, Inspection, Criminal Investigation, and Resources Management activities. Similar positions are being considered for other occupational areas.

Jobs for the Handicapped

The number of handicapped employees in IRS increased from 1,667 in 1977 to 1,701 in 1978. The IRS nominee for Outstanding Federal Handicapped Employee of the Year was William J. Boucher, a tax auditor from the Austin District. Mr. Boucher also was selected as the Treasury Department's nominee for Outstanding Federal Handicapped Employee of the Year.

Awards for Incentive

The IRS Incentive Awards Program received special attention in 1978 with many employees receiving recognition for their outstanding contributions to IRS — including two Meritorious Service Awards, fifteen Commissioner's Awards, five Special Achievement Awards of $1,000 or more and two special recognition awards for exposing bribery schemes.

Also, several employees received recognition from organizations outside of IRS. Deputy Commissioner William E. Williams was the Department of the Treasury nominee for the 1977 Roger W. Jones Award for Executive Leadership. Sixty-five employees received Presidential Letters of Recognition for employee contributions that resulted in tangible benefits of $5,000 or more.

Linda Molyneux of the Fresno Service Center was presented the 1977 John E. Fogarty Public Personnel Award for her outstanding efforts toward the hiring of the handicapped. This award, the highest given by the President's Committee on Employment of the Handicapped, was made on June 13, 1978, at the International Association of Personnel Employment Security Convention in St. Louis.

Yolanda Carrillo of the Fresno Service Center has had an exceptional year — beginning with an award of $1,285 for a suggestion with a tangible benefit of $184,000. In addition to the cash award, Ms. Carrillo's accomplishment brought a Presidential Letter of Recognition and made her one of eleven recipients of the 1977 Presidential Management Improvement Award. This award was presented in the White House Rose Garden on May 23, 1978, by the President.

Internal Revenue Manual

The Service adopted a new system to compose, print and distribute its internal operating procedures in the *Internal Revenue Manual.* Using electronic technology, accurate copy is produced in 6" x 9" format at less cost and in less time than with the old method. Additional services, provided under a single contract, include filling orders for current parts or handbooks, comprehensive topical indexes and management summaries of recent functional or operational changes to any part of the *Manual.*

Training

Consistent with President Carter's commitment to improve the quality of public correspondence, nearly 700 IRS employees attended various workshops that stressed clarity and responsiveness in writing.

Four different writing workshops are offered to accommodate employee needs. The training ranges from 8 to 40 hours of classroom work, plus some self-study exercises. It is designed for the executive, the legal or technical originator, the reviewer, and those persons needing refresher courses.

The Coordinated Examination Training Program was developed and piloted in early 1978. This course will provide a cadre of revenue agent specialists who can determine areas of accounting systems to be isolated for more thorough auditing and reducing or eliminating the time expended on nonproductive auditing.

This training also will provide a greater degree of uniformity and consistency in resolving tax issues, simplify decisions on taxability and eliminate duplication of effort. Some 325 senior agents are expected to be trained for the program in each future year.

The IRS continued to conduct basic training for the Criminal Investigation Division at the Federal Law Enforcement Training Center at Glynco, Ga.

Several new programs were produced to support the Criminal Investigation Division — new on-the-job training for recruit special agents was tested, all special agents received review training in the implication of the new disclosure provision of the law and a TV tape test, similar to the national drivers' exam, was used. A wagering tax course also was written and piloted this year.

A three-day program to train examination employees — revenue agents, tax auditors, and estate tax attorneys — for detailed identification and examination of abusive tax shelters was developed this year to take "a vigorous position on marginal tax shelters and loopholes of one kind or another."

The training provides examiners with the general tools needed to recognize the abusive elements of a tax shelter regardless of its business nature or reporting form.

Tax shelter training is now an integral part of all new examiners' training courses. This training also is given to incumbent employees as part of the update courses and a limited partnership portion serves to reinforce previous tax shelter training.

The IRS trained approximately 4,000 data transcribers using a 60-hour training program. In previous years the direct-data entry training program was 80 hours.

By using this new, shorter training program the IRS saved approximately $404,000 in training, administrative and instructor costs. The reduced amount of training had no adverse effect on the trainees' ability to reach the job standards for speed and accuracy.

Instructing Others

More than 100 employees of state and local governments participated in IRS training activities.

Financial investigative courses were held for the Maricopa County, Ariz., sheriff's association to train 20 participants from various local police and attorney general offices and for 48 members of the Pennsylvania Crime Commission.

Students in the five-week IRS special agent course included revenue employees from the Colorado Department of Revenue, the New Jersey Department of Law and Safety, and the Philippines, Dallas, Tex., and Phoenix, Ariz., governments.

Participants in various revenue agent training courses included employees of the government of American Somoa; the states of Alaska, New York, Maine, and Oregon; and the cities of Milwaukee, Wis. and St. Paul, Minn. Special investigation employees of the St. Louis, Mo., Police Department attended our 8-day wagering tax course. Instructor training and course assistance was provided to the Idaho State Tax Commission to enable it to train employees in auditing techniques.

Career Counseling

Career Counseling Center opened at the IRS National Office to enhance IRS Equal Employment Opportunity efforts by helping supervisors and employees in setting realistic goals and devising courses of action in career growth planning.

The center provides a wide range of services, including formal consultations and diagnostic testing, skills assessment and other guidance given by a team of counseling specialists.

Logistics Support

IRS continued its efforts to eliminate unnecessary internal reporting, canceling 21 reports in 1978 for annual savings of approximately $406,000.

The IRS conducted an extensive study of the taxpayer assistance Toll-Free Telephone System (TFTS) to determine if the efficiency of that operation could be improved. The study identified the best locations and the optimum number of sites to locate the TFTS answering operations. New procedures were developed for the telephone circuitry used in the toll-free system to provide a better balance between incoming circuits and answering positions. The initial result of these efforts was a $2 million reduction in the telecommunications cost for the toll-free program.

Communications costs were also reduced by new procedures for transmission of written records, such as facsimile, teletype, and express mail, and more control over commercial long distance and

Federal Telecommunications System usage. These efforts saved approximately $1.6 million.

An internal management reporting system has helped the IRS to control its space inventory and costs. Approximately $500,000 was saved by releasing space, using space savings techniques and closely reviewing utility and service charges. Multiple-occupancy work stations and open office planning concepts are also resulting in space savings.

During 1978 the IRS reduced its regional and district use of office space 4 sq. ft. per person saving 221,000 sq. ft. or approximately $1.7 million.

The IRS continued to rate as one of the top federal agencies in occupational safety and health. In Calendar Year 1977, the IRS reduced both disabling injuries and motor vehicle accidents at a time when most agencies realized substantial increases in rates. The IRS had a rate of 3.4 disabling employee injuries per million staff hours worked. Service employees drove 119 million miles on official business with 671 accidents, 72 less than in Calendar Year 1976. The accident frequency rate decreased from 5.8 to 5.6 accidents per million miles driven.

By using unique service center ZIP codes for the 1978 filing season, the IRS reduced the average transit time of mail from the taxpayer to the service centers by one day. Because Treasury has use of the tax revenue one day earlier, the government saves some $5 million in interest annually.

And, records disposal resulted in the release of space and equipment valued at $3,809,000. A total of 208,273 cubic feet of records was destroyed and 592,570 cubic feet of records were retired to Federal Records Centers.

Data Services

The Office of Assistant Commissioner (Data Services) is responsible for developing, implementing and evaluating computer systems, programs and hardware requirements. Originally consisting of the Service and Design Division, the Systems Programming Division and the Systems Analysis Division and two computer facilities — the National Computer Center and the Data Center — it now also includes the Systems Development office and the Planning and Control staff.

Handling Payments

IRS is installing a new remittance processing system (RPS) for quicker and more efficient handling of tax payments. RPS processes the remittance, encodes the source document with an audit trail and prepares documentation for forwarding to the bank with the checks. It also forwards transactions to the appropriate master file to indicate receipt of the remittances before the source documents are processed, aiding in answering taxpayer inquiries.

Case Reporting

A nationwide system was established to meet inventory management and case control needs of Criminal Investigation Division field managers and to provide senior management with important statistical data and reports.

The file itself contains complete information on all Criminal Investigation Division cases and projects. Each service center has its own data base that can be "called up" by the districts serviced by it. Research capabilities also are provided and a series of reports are generated in the service centers every week.

Automated Information

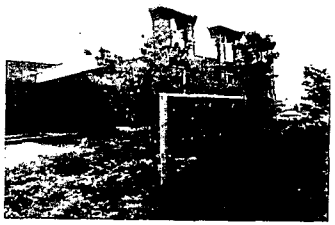
Control of partnership returns on the Audit Information Management System (AIMS) was implemented on a test basis in Salt Lake City District Office and Ogden Service Center on July 1, 1978.

Under the system the examiner of the partnership return is able to requisition an unlimited number of partner returns for shipment and examination in the partner's district office. The examiner of the partnership return receives a monthly report showing all partners established on the data base. Each district office receives a cumulated monthly report showing income adjustments applied to a partner's return in the district, resulting from partnership examination.

National Computer Center

Computerized master file operations of the integrated tax administration system is performed at the National Computer Center in Martinsburg, W. Va. Eight large computers and three computerized microfilm systems are used for the individual, business, exempt organization, employee plans and individual retirement account master files for the nation.

The Computer Center operates 24 hours a day, seven days a week and maintains reciprocal accounting with each of the ten service centers. Input of data to the Computer Center — such as tax returns, tax payments, and adjustments — is primarily on magnetic tape shipped from the service centers and other organizations by air. The output, also on magnetic tape, contains data for printing notices — such as bills, refund checks, etc. — and is air shipped to the service centers and other federal and state agencies. During the year the Computer Center received more than 84,000 input tapes and shipped more than 82,000 output tapes.



As of August 1978 there were 121,063 magnetic tapes in the Computer Center library, with the Individual Master File containing 111,028,298 taxpayer accounts; the Business Master File, 17,106,712 accounts; the Exempt Organization Master File, 1,007,496 accounts; the Employee Plans Master File, 1,129,694 accounts and the Individual Retirement Account Master File, 2,876,309 accounts.

Data Center

The Data Center in Detroit, Mich., is responsible for non-master file data processing operations for the IRS.

In 1978 a new system was selected to replace the current computer systems. Installation of the replacement system is scheduled to take place in early Calendar Year 1979 with testing and acceptance expected by the middle of the year.

Two new software systems were installed to monitor and report computer use and to control development of new systems and produce reports of personnel utilization.

The Data Center is processing up to one million employee benefit plan forms for the Department of Labor this filing season, with work started in late 1978. Processing involves the filming of returns with special cameras and producing output on microfiche equipment for shipment to service centers, the National Archives and the Department of Labor.

Technical Activities

The IRS tax ruling program consists of letter rulings, technical advice and published revenue rulings. During the year the IRS acted on 25,357 requests for tax rulings and technical advice, and issued 538 revenue rulings and revenue procedures.

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

Technical advice provides guidance on the proper application of the tax laws to specific facts issued 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 at the suggestion of a 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* to inform and guide taxpayers, practitioners and IRS personnel.

Tax Shelter Rulings

During 1978, the Service continued an active program of publishing revenue rulings to answer significant issues with respect to tax shelters and other artificial tax devices. The goals of this program are to provide technical guidance to taxpayers and to IRS personnel on the specific issues presented and to increase public awareness that the IRS will carefully scrutinize tax-motivated transactions. A highlight of this program was the publication on Oct. 31, 1977, of nine revenue rulings addressing a number of current tax shelter issues.

Art Advisory Panel

The Art Advisory Panel held three meetings at the National Office during its tenth anniversary. Since 1968 this unpaid, twelve-member panel of art experts — museum directors, curators, scholars and dealers — has helped IRS to review taxpayers' appraisals and to determine the value of works of art donated to charity for gift or estate tax purposes.

All appraisals of works of art claimed at $20,000 or more in audited tax returns must be referred to the National Office for review. The claimed value of the average item referred to the panel recently has been close to $100,000. Nearly half of all reviewed appraisals are found to be unacceptable.

The panel reviewed appraisals on 702 works of art with taxpayer claimed values amounting to $67 million this year, resulting in valuation adjustments of $12 million. During its ten years of operation, the panel has reviewed appraisals with claimed values of $276 million, which resulted in valuation adjustments of $75 million.

Requests for Tax Rulings and Technical Advice (Closings) 1978

Subject	Total	Taxpayers' Requests	Field Requests
Total	**25,357**	**24,705**	**652**
Administrative Provisions	63	50	13
Changes in Accounting Methods	6,823	6,823	—
Changes in Accounting Periods	10,568	10,568	—
Earnings and Profits Determinations	1,073	1,073	—
Employment and Self-Employment Taxes	390	320	70
Engineering Questions	173	121	52
Estate and Gift Taxes	415	349	66
Excise Taxes	165	94	71
Individual Income Tax Matters	1,624	1,515	109
Corporation Tax Matters	4,063	3,792	271

Internal Revenue Bulletin

The weekly *Internal Revenue Bulletin* announces official rulings and procedures of IRS and publishes Treasury Decisions, Executive Orders, tax conventions, legislation, court decisions and other items of general interest. *Bulletin* contents of a permanent nature are consolidated semiannually into *Cumulative Bulletins*, with weekly and semiannual issues distributed within IRS and available to the public through the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

During 1978 the *Bulletin* included 499 revenue rulings, 39 revenue procedures, 8 Public Laws relating to Internal Revenue matters and 10 committee reports, 58 Treasury Decisions containing new or amended regulations, 50 delegation orders, 4 Treasury Department Orders, 14 notices of suspension and disbarment from practice before the IRS, 268 announcements of general interest and 8 court decisions.

The Bulletin Index-Digest System, with current supplements, aids in researching material published in the *Bulletin* after 1952. The accompanying table shows a breakout of the types of revenue rulings and revenue procedures published in 1978.

Revenue Rulings and Revenue Procedures Published in 1978

Type	Number
Administrative	16
Employment taxes	24
Estate and Gift Taxes	46
Excise Taxes	58
Exempt Organizations	55
Income Taxes	322
Employee Plans	16
Tax Conventions	1
Total	**538**

Making Rulings Public

The Tax Reform Act of 1976 provided that IRS rulings and technical advice generally be opened 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 Oct. 31, 1976, generally are made available within 90 days after they are issued to taxpayers. Of the approximately 80,000 issued in answer to requests made before Nov. 1, 1976, 25,000 were made available to the public in 1978. The remaining rulings will be opened for public inspection in 1979.

Publishing Services developed a computer-based system to produce microfiche indexes for the release of letter rulings and *Code* section indexes for the weekly release of current rulings. Nine monthly and cumulative indexes were developed to provide the ruling information in various formats based on user needs.

Inspection

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

Internal Audit

The Internal Audit Division independently appraises the operations of the IRS to measure 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 taxpayers' and the government's rights are protected and that operations are carried out efficiently, effectively and with integrity.

Internal Audit reviews operations that have widespread impact on the IRS or that are considered high risk. The review of controls for safeguarding tax information and assuring fair and equitable treatment of taxpayers also is stressed.

To improve the efficiency of IRS operations, national coordinated audits are being used more often to provide uniform coverage in several offices and to evaluate the operation of a program better on a nationwide basis. These audits provide managers with a better perspective of their operations, permit nationwide corrective action if necessary and require less staff.

Abstracts of Internal Audit findings are prepared and distributed to Service officials nationwide to help identify operational areas that may need increased management attention.

Internal Audit issued 241 reports to IRS managers during the fiscal year. Management actions on these problems resulted in better service to taxpayers, strengthened controls and improved operations. In addition, response to Internal Audit findings resulted in measurable savings and additional revenue estimated to total $157 million.

Maintaining Integrity

Internal Audit gives priority to the detection of fraud, embezzlement or other wrongdoing on the part of IRS employees. During the year Internal Audit informed the Internal Security Division of possible breaches of integrity by 161 employees and 38 other individuals. Of the investigations begun into these possible breaches 97 investigations were completed in 1978. As a result, 84 employees and 8 others were cleared of allegations of improprieties, while actions were taken or were pending against 1 employee and 4 others.

Internal Security

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

The Division investigates complaints of criminal misconduct or irregularities affecting IRS employees or operations. It also conducts investigations of non-IRS persons who attempt to bribe, threaten or assault IRS personnel, the unauthorized disclosure of federal tax return information, disclosure or use of information by preparers of returns and charges against tax practitioners.

The Division also investigates IRS job applicants and conducts special investigations and inquiries for the Commissioner and the Secretary of the Treasury.

During 1978 Internal Security inspectors arrested or were responsible for the indictment of 147 persons including 92 taxpayers and tax practitioners, and 55 employees or former employees. During the year, 95 persons were convicted, including 83 defendants who pleaded guilty. Of these, 46 convictions were for bribery, 11 were for assault and the remainder involved such criminal charges as conspiracy to defraud the government, obstruction of justice, subscribing to false returns, disclosure of confidential tax information and embezzlement.

In one case, two high officials of a nationally known company were convicted of authorizing gratuities of approximately $27,000 to IRS employees. The corporation also was convicted and fined $36,000. Earlier an IRS audit manager was convicted of accepting free vacation trips from the company.

Bribery Awareness

The Division increased the number of bribery awareness presentations to IRS employees, expanding them to include videotapes that realistically portray bribery situations IRS employees may encounter.

The effectiveness of these presentations may be gauged by the facts — 186 employees reported 252 possible bribery attempts resulting in 73 arrests or indictments and at the end of 1978, 21 persons were awaiting trial on bribery charges.

Assaults and Threats

FBI statistics from last year show that 74 percent of all threats and 41 percent of all assaults on federal employees were directed at IRS employees.

Internal Security responds promptly to protect IRS employees threatened or assaulted while performing their duties and seeks vigorous prosecution of these cases by the U.S. Attorney. In instances where prosecution is declined — usually in verbal threat cases without physical assault — an inspector, with the approval of the U.S. Attorney, contacts the alleged assailant to inform him or her of applicable federal statutes concerning assaults or threats on government employees. The person also is advised that repetitive acts could result in prosecution.

The Division is conducting studies seeking better ways to ensure the safety of IRS employees in assault and threat situations.

Checking the Workforce

The Internal Security Division completed 13,017 investigations of employees during the year and 15,674 police record checks on persons considered for temporary appointments.

These investigations and record searches resulted in the rejection of 85 job applicants and disciplinary actions, including separations, suspensions, reprimands, warnings or demotions against 741 employees. Also, at the request of the Office of the Secretary of the Treasury, the Division conducted special investigations involving employees of other Treasury bureaus.

While some investigations of IRS employees resulted in criminal prosecution or disciplinary action, in many other cases employees were exonerated of accusations of misconduct.

Taking Precautions

In each region, 100 integrity development projects initiated by Internal Audit and Internal Security probed high risk IRS operations. As an alternative to merely reacting to complaints, allegations or referrals this approach is designed to identify and examine areas in Service operations particularly susceptible to corruption and fraud.

Chief Counsel

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

The Chief Counsel is assisted by a Deputy Chief Counsel (General), a Deputy Chief Counsel (Litigation), a Deputy Chief Counsel (Technical) and seven Regional Counsels.

The Office of Chief Counsel employs over 900 attorneys, making it — next to the Department of Justice — the largest law firm in the country. These attorneys are located in the National Office, the seven Regional Counsel offices and 45 District Counsel offices.

Approximately 35 percent of attorney time is spent handling litigation in the United States Tax Court. The attorneys also advise the Service and assist the Department of Justice on refund suits, criminal tax cases, suits seeking the disclosure of files and documents of the IRS, collection suits, and nontax litigation involving the Service in federal and state courts.

The Chief Counsel made some organizational changes effective July 2, 1978. These changes will enable the Chief Counsel organization to provide more efficient legal and technical assistance to all functions and levels of the Internal Revenue Service and to be more responsive to the needs of taxpayers and their representatives.

Refund litigation work was decentralized to the field offices and the coordination, review and policy functions of the Refund Litigation Division were combined with the Tax Court Litigation Division and redesignated the Tax Litigation Division.

The Regional Counsel structure was modified. District offices were created at the site of each of the seven regional headquarters offices and Regional Counsel offices were established for each region, along with eight new district offices.

Attorneys in the district offices will work in all field activities, to the extent feasible, so that they can gain experience and be utilized in all phases.

An Employee Plans and Exempt Organizations Division was established under the Deputy Chief Counsel (Technical).

The National Office divisions supervised by the Deputies Chief Counsel have been realigned and are set forth in the organization table.

The purpose of the organizational realignment is to decentralize case responsibility to field offices, to strengthen the field organization and to augment the ability to provide legal advice and service to IRS regions and districts. The National Office continues to serve in policy formulation, providing technical guidance, interpretation, coordination and assuring uniformity of positions.

Administrative Services

The Administrative Services Division is responsible for 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 Counsel attorneys to participate in law school, bar association and in-house training courses.

Under the aegis of the Division, an Equal Employment Opportunity Advisory Committee and a Federal Women's Program Advisory Committee, assist with the Chief Counsel's Equal Employment Opportunity Program. The office exceeded its affirmative action goals in 1978.

The Division is engaged in planning and analysis, cost/benefit studies, systems development and operational activities such as legal information retrieval and computer equipment analysis. During 1978, it initiated major changes in the Chief Counsel Reports and Information Retrieval Activity (RIRA) System. With support of the Assistant Commissioner (Planning and Research), the Division also planned, developed and monitored an automated attorney work/time sampling for use in zero based budgeting, long range planning and management control.

Planning is underway to decentralize the RIRA System for refund suits and to redesign most reports. It also is participating in the development of a master plan for the proposed Servicewide Management Information System and is conducting a feasibility study of a proposed Chief Counsel integrated management information system to provide automated services for inventory control, workload planning, preparation of reports and legal research.

The Division recruited paralegal specialists for all divisions of the National Office to assist attorneys in legal and other work. Plans are underway to recruit paralegals for the larger field offices.

Criminal Tax

Attorneys in the Criminal Tax Division handle criminal tax legal matters for the IRS, furnish legal advice to the Criminal Investigation Division and review cases to determine if prosecution is warranted. The function also coordinates criminal prosecutions with the Department of Justice, provides assistance to U.S. Attorneys in criminal tax trials upon request, assists the Tax Litigation Division in the application of the civil fraud penalties and coordinates disclosure, Freedom of Information Act, and Privacy Act matters in cases where criminal action is anticipated or has been undertaken.

The most pressing criminal tax issue this past year concerned alleged grand jury abuses. In *In Re: April 1977 Grand Jury Proceedings (General Motors Corporation)*, 573 F.2d 936 (6th Cir. 1978), rehearing en banc June 13, 1978, reversed on jurisdictional grounds Sept. 7, 1978, the original court of appeals panel ordered the termination of a grand jury investigation because of the participation of a Regional Counsel attorney specially designated by the Attorney General. The panel viewed such participation as creating the appearance of a conflict of interest in light of the attorney's status and earlier handling of related matters for the IRS. The full court, in a split decision, reversed on procedural grounds.

While the General Motors en banc proceeding in the Sixth Circuit was pending, in another case the Fourth Circuit found no basis to invoke *mandamus* to protect against alleged grand jury abuses. In *In Re. Grand Jury Subpoenas, April 1978, at*

Receipt and Disposal of Criminal Tax Matters — 1978

Prosecution Cases Received From Criminal Investigation	
Pending Beginning	5,710
Total Opened	3,439
Total Closed	2,681
Counsel Declined	261
Department of Justice Declined	336
U.S. Attorney Declined	269
Prosecutions Completed	1,815
Pending End	6,468
Opinions	
Pending Beginning	47
Total Requested	90
Total Rendered	106
Pending End	31

Criminal Tax Activity — 1978

Referrals By Counsel For Prosecution	2,634
Indictments & Informations	1,724
No True Bill	11
Plea of Guilty Or Nolo Contendere	1,189
Convicted After Trial	225
Acquitted	70
Nol-Prossed or Dismissed	119
Legal Assistance To Criminal Investigation (In Staff Hours)	22,473

Baltimore, 47 LW 2138, Nos. 78-1335/36 (4th Cir. August 3, 1978), the corporate target complained that certain grand jury subpoenas were overly broad and improperly motivated. The court of appeals found adequate protection in the grand jury secrecy provisions.

In June 1978 the IRS and Counsel issued new rules governing the relationship of the IRS and the grand jury and establishing strict criteria for involvement of IRS personnel in grand jury proceedings. Authority to refer potential criminal tax matters for grand jury investigation is vested in a handful of high level officials. Generally, a request for a grand jury investigation must be personally reviewed and approved by the Regional Commissioner and Regional Counsel. Receipt and use of grand jury materials are tightly restricted. Service personnel assisting grand juries are completely insulated from related activities involving civil tax liabilities.

Disclosure Litigation

Attorneys in the Disclosure Litigation Division handle the Freedom of Information Act, as well as requests for disclosure of documents and testimony in both tax and nontax litigation. The Division also is responsible for providing legal advice to the IRS on the Privacy Act of 1974.

Disclosure works closely with the Disclosure Operations Division of the IRS, also coordinating 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.

Much of the 1978 litigation concerned taxpayer attempts to gain access to civil and criminal investigatory files through the Freedom of Information and Privacy Acts rather than using established discovery procedures. Also, employees and their union representatives increasingly have litigated under these acts to attempt to obtain access to personnel records of other employees and management documents for use in grievance and other personnel proceedings.

EP/EO

The Employee Plans and Exempt Organizations Division provides legal assistance to the Office of the Assistant Commissioner (EP/EO) in the issuance of letter rulings and determinations to taxpayers, technical advice to IRS personnel and revenue rulings and revenue procedures. The EP/EO Division also provides legal assistance to other divisions in Chief Counsel in determining litigating positions and in coordinating the litigating positions with the ruling positions of the IRS on employee plans and exempt organizations matters. The Division, in EP/EO matters, represents the Commissioner and IRS in tax legislative matters; provides the Treasury Department with technical assistance and expertise in the development and drafting of internal revenue legislation; furnishes assistance to congressional staffs in the drafting of committee reports; drafts and conducts hearings on proposed regulations, and assists in the preparation and review of certain tax forms, instructions, and publications.

The EP/EO Division was established in July, 1978, at which time approximately 48 regulations projects were received from the Legislation and Regulations Division and some 40 cases were received from the Interpretative Division.

Receipt and Disposal of Disclosure Litigation Cases

Types of Cases	Pending 10/1/77	Received	Disposed	Pending 9/30/78
Disclosure Opinions	104	205	213	96
Disclosure Litigations	2	14	4	12
Disclosure Coordinations	—	4	—	4
Discovery Opinions	2	—	2	—
FOIA Opinions	38	115	137	16
FOIA Appeals	150	389	367	172
FOIA and Miscellaneous Litigation	70	60	57	73
FOIA Requests	17	104	89	32
Privacy Act Opinions	15	17	22	10
Privacy Act Litigation	6	4	3	7
Privacy Act Requests	—	5	3	2
Privacy Act Appeals	—	—	—	—
Division Totals	**404**	**917**	**897**	**424**

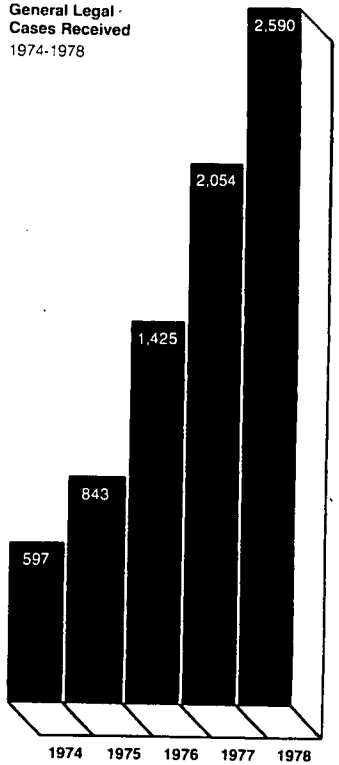
Employee Plans and Exempt Organizations Division Cases Received
1978

Type of Case	
Revenue Rulings	25
Letter Rulings	22
Technical Advice	14
Other Advice	11
Legislation	5
Regulations	60
Miscellaneous	2
Total	**139**

General Legal Services

The General Legal Services Division handles nontax legal matters. Attorneys in the General Legal Services function in the National Office and field offices represent the IRS 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. The Division also provides representation, where proper, to IRS employees and officials who are sued for damages in actions taken in the due performance of

General Legal Cases Received
1974-1978



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

Status	Court	Non-Court	Total
Pending October 1, 1977	9,709	1,765	11,474
Received during year	11,912	5,783	17,695
Disposed of	11,524	5,794	17,318
Pending September 30, 1978	10,097	1,754	11,851

official duties. These attorneys also represent the IRS 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 advice to the IRS concerning government contracts, tort claims, forfeitures, problems involving ethics, Inspection Service actions and other matters not directly involving federal taxes. For 1978, the attorneys tried 173 cases with 1,494 hours of trial time.

During this past year the number of suits filed by so-called tax protestors substantially increased. Also, there was a sizable increase in class action discrimination complaints. The reasons for the increase in these complaints and what must be done to eliminate unjustified complaints are being examined.

General Litigation

The General Litigation Division furnishes legal advice to the IRS in connection with the assessment and collection of federal taxes and assists 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. It furnishes legal services, and assistance unrelated to docketed cases, including day-to-day formal and informal advice to IRS and local district offices, and to the Assistant Commissioners of Compliance, and Taxpayer Service and Returns Processing.

A significant development in summons enforcement is the Supreme Court's clarification of the "sole criminal purpose" criterion employed by courts in determining whether a summons should be enforced. In *United States v. LaSalle National Bank*, 98 S. Ct. 2357 (1978), it was held that the IRS may not obtain enforcement of a summons issued solely for a criminal investigatory purpose. Nevertheless enforcement of a summons issued by a special agent may not be denied merely because the special agent focused solely upon the criminal liability of the taxpayer. Rather, the determination of whether an investigation has a solely criminal purpose must be answered only by an examination of institutional posture of the IRS. The special agent's motive or purpose, however, is not equatable with the IRS's motive or purpose.

Interpretative

The Interpretative Division provides legal assistance to the Assistant Commissioner (Technical) in the issuance of letter rulings to taxpayers, technical advice to IRS personnel, and revenue rulings and revenue procedures to guide the general public. Interpretative also provides legal assistance to other divisions in the Chief Counsel's office in establishing litigating positions, and in coordinating litigating positions with the ruling positions of the IRS except in cases involving employee plans, exempt organizations and certain general litigation matters.

During 1978 Interpretative Division attorneys assisted in the preparation of a substantial number of revenue rulings. Among the more significant were several rulings dealing with tax shelter abuses.

General Litigation and Disclosure Cases Received
1974-1978

Types of Cases—Regions:	1974	1975	1976	1977	1978
Bankruptcies and Receiverships	1,112	1,254	1,431	1,309	1,280
Wage Earners' Plans (CH. XIII)	102	62	99	104	93
Arrangements (CH. XI)	2,273	3,440	3,422	1,828	700
Reorganizations & Real Property Arrangements (CH. X and XII)	348	626	639	393	121
Miscellaneous Insolvencies	100	102	118	68	70
Decedents' Estates	413	374	386	415	424
Suits to Collect Taxes	623	565	720	742	750
Section 2410 (28 U.S.C. 2410): Interpleaders	242	222	255	231	274
Others	162	160	230	203	237
Injunctions	272	227	188	156	163
Disclosure and Testimony	481	424	463	546	609
Summons Cases	1,663	1,877	2,876	3,698	6,506
Erroneous Refund Suits	31	42	41	24	34
Miscellaneous Court Cases	530	564	615	729	1,025
Advisory Opinions	4,310	4,860	5,305	5,561	4,774
Discharges of Property from Lien	2,269	2,701	3,500	[1]	[1]
Tax Return Preparers: Advisory Opinions					8
Court Cases					1
Total, All Regions	**14,931**	**17,500**	**20,288**	**16,007**	**17,069**
National Office:	**1974**	**1975**	**1976**	**1977**	**1978**
Appeals	184	197	113	128	168
Advisory	140	298	484	541	392
International Operations	165	126	262	200	55
Disclosure and Testimony	158	[2]	[2]	[2]	[2]
Other Centralized Cases [3]	26	29	21	14	11
Total, National Office	**673**	**650**	**880**	**883**	**626**
Total, All Regions and National Office	**15,604**	**18,150**	**21,168**	**16,890**	**17,695**

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

Interpretative Division Cases Received
1974-1978

Type of Case	1974	1975	1976	1977	1978
Revenue Rulings	471	443	423	399	385
Letter Rulings	124	117	114	122	98
Technical Advice	90	80	73	80	60
Other Advice	158	212	257	189	175
Total	**843**	**852**	**867**	**790**	**718**

The Division participated in the resolution of several long-standing and difficult depreciation matters and other matters concerning pre-bankruptcy income tax claims against The Pennsylvania Railroad. This settlement was noted in the Opinion and Orders Regarding Confirmation and Consummation of Plan of Reorganization of the United States District Court, dated Aug. 17, 1978.

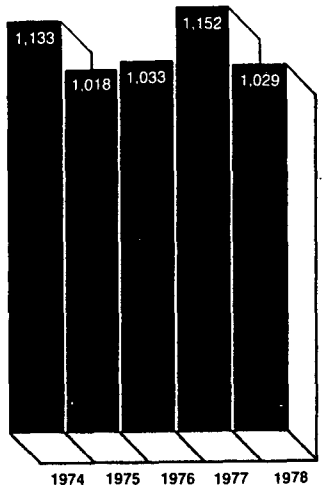
Legislation and Regulations

The Legislation and Regulations Division represents the Commissioner and the IRS in tax legislative matters and drafts proposed regulations, other than those relating to employee plans and exempt organizations. Division attorneys provide the Treasury with technical expertise in developing and drafting internal revenue legislation. They also help congressional staffs draft committee reports on tax legislation.

Legislation and Regulations Division attorneys represent the IRS in negotiating and drafting tax treaties with foreign governments. Working closely with IRS officials, attorneys in this Division also 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 taxpayer publications issued by the IRS.

During 1978 the Division continued to develop regulations to implement the Tax Reform Act of 1976. Included were

Refund Litigation Cases Received
1974-1978

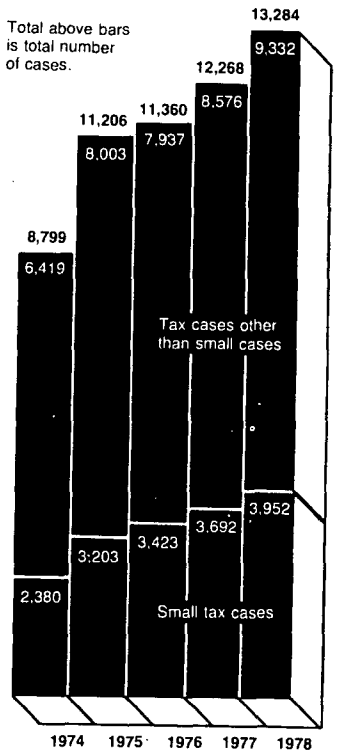


regulations relating to disclosures of tax returns and return information for tax administration purposes, duties of income tax return preparers, refunding of industrial development bonds, public inspection of written determinations of the IRS, group term life insurance, tax credit for earned income, New Jobs Tax Credit, real estate investment trusts and property transferred in connection with performance of services.

Legislation and Regulations Division Cases Received
1974-1978

Type of Case	1974	1975	1976	1977	1978
Legislation	77	85	59	61	74
Regulations	56	171	85	271	60
Miscellaneous	43	33	46	41	55
Total	**176**	**289**	**190**	**373**	**189**

Tax Court Cases Received
1974-1978



Tax Litigation

As part of the Chief Counsel reorganization the Refund Litigation Division was combined with the Tax Court Litigation Division and responsibilities for tax refund matters were decentralized to the Regional and District Counsels. The new Tax Litigation Division is responsible for the coordination, review and policy functions of both old divisions.

One of the major responsibilities of the Office of Chief Counsel is the representation of the Commissioner 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 field offices serve as the legal advisor to the Appeals Division, District Directors, Service Center Directors, and the Director of the Office of International Operations, and review certain categories of statutory notices of deficiency in non-docketed cases. The Tax Litigation Division in the National Office participates in the formulation of 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 cases involving deficiencies of $1,500 or less. Such cases are heard by Tax Court Special Trial Judges, and neither the taxpayer nor the government may appeal from decisions in such cases.

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

Status	All Tax Court Cases[2]					Small Tax Cases				
	Number of Cases[1]	Taxes and Penalties		Overpayments		Number of Cases	Taxes and Penalties		Overpayments	
		In Dispute	Determined	Claimed	Determined		In Dispute	Determined	Claimed	Determined
Pending 10/1/77	21,380	$2,855,975[r]		$294,661[r]		3,007[r]	$2,208[r]		$56[r]	
Received	13,284	982,900		5,681		3,952	2,724		34	
Disposed[3]	11,497	576,659	194,114	21,805	6,886	3,456	2,381	$1,381	67	$24
Recovery Rate[4]			33.7%		31.6%			58.0%		35.8%
Pending 9/30/78	23,167	3,262,216		278,537		3,503	2,551		23	

[1] Does not include an inventory of non-deficiency (Employee Plans and Exempt Organizations) cases consisting of 35 cases pending 10/1/77, 35 receipts, 24 disposals, and 46 cases pending 9/30/78.
[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 figure.

The Service modified its settlement procedures in an effort to settle more Tax Court cases and better prepare the cases that go to trial. This revised procedure sets new procedures dividing settlement jurisdiction over cases between the Appeals Division and the Chief Counsel's Office. Generally, Chief Counsel will have exclusive jurisdiction over the disposition of cases in which the statutory notice has been issued by the Appeals Division. In most other cases the Appeals Division will have exclusive settlement jurisdiction for four months after all pleadings have been filed in the Tax Court. If a case is not settled by the Appeals Division within four months it generally will be returned to Counsel for preparation for trial. After trial preparation Counsel may consider settlement negotiations.

The Tax Litigation Division also now performs all necessary legal services on behalf of the IRS in connection with suits instituted by taxpayers in the United States District Courts and the Court of Claims for refund of taxes. The Division determines and coordinates the legal position of the IRS in these suits and incorporates such positions in recommendations to the Department of Justice, which handles the actual trial of such cases. The Division also advises the Department of Justice on suits for declaratory judgments regarding tax exempt status brought in the District Court for the District of Columbia and the Court of Claims. The field offices serve as the legal advisor to the Appellate Division, District Directors, Service Center Directors, and the Director of the Office of International Operations, and review certain categories of statutory notices of refund claim disallowances.

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

Court	Total	For the Government		Against the Government		Partly for and Partly Against the Government	
		No.	%	No.	%	No.	%
Courts of Appeals	186	142	76.3%	28	15.1%	16	8.6%
Originally tried in Tax Court	87[1]	70	80.5%	10	11.5%	7	8.1%
District Courts	99[2]	72	72.7%	18	18.2%	9	9.1%
Supreme Court	6	4	66.7%	2	33.3%		

[1] Of the cases originally tried in Tax Court, the Courts of Appeals rendered 87 opinions in 124 dockets, including 93 dockets for the government, 14 dockets against the government, and 17 dockets partially for the government.
[2] Of the cases originally tried in District Courts, the Courts of Appeals rendered 99 opinions in 130 cases, including 80 cases for the government, 20 against the government, and 20 partially for the government.

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

Action		Court of Claims		District Courts		Tax Court[5] Small Tax Cases		Tax Court[5] Other		Tax Court[5] Total	
		1977	1978[2]	1977	1978[3]	1977	1978[4]	1977	1978[5]	1977	1978
Decided in favor of Government	—Number	30	30	238	216	258	262	283	271	541	533
	—Percent	68.2%	63.8%	66.3%	62.8%	55.1%	54.0%	54.4%	47.9%	54.8%	50.7%
Decided in favor of Taxpayer	—Number	12	12	76	90	47	50	57	66	104	116
	—Percent	27.3%	25.5%	21.7%	26.2%	10.0%	10.3%	11.0%	11.6%	10.5%	11.0%
Decided partially for the Taxpayer and partially for the Government	—Number	2	5	43	38	163	173	180	229	343	402
	—Percent	4.5%	10.6%	12.0%	11.1%	34.8%	35.7%	34.6%	40.5%	34.7%	38.3%
Total Opinions		44	47	359	344	468	485	520	556	988	1,051

[1] Related Cases are reflected as one opinion.
[2] 47 opinions in Court of Claims involving 52 cases.
[3] 344 opinions in District Courts involving 395 cases.
[4] 485 Tax Court opinions involving 505 Small Tax Cases.
[5] 566 Tax Court opinions involving 707 cases other than Small Tax Court Cases.
[6] On cases for which decisions were entered during the fiscal year.

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

Status	District Courts			Court of Claims			Total		
	Number of Cases	Amount in Dispute[3]	Amount Not Refunded[4]	Number of Cases	Amount in Dispute[3]	Amount Not Refunded[4]	Number of Cases	Amount in Dispute[3]	Amount Not Refunded[4]
Pending 10/1/77	2,769	$635,563		661	$459,561		3,430	$1,095,144	
Received	817	$ 96,185		212	$188,651		1,029	$ 284,836	
Disposed[2]	811	$ 83,085	$32,920	122	$ 30,507	$16,649	933	$ 113,592	$49,569
% Not Refunded			39.6%			54.6%			43.6%
Pending 9/30/78	2,775	$648,653		751	$617,705		3,526	$1,266,358	

[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.

Appendix

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Chronological List of IRS Commissioners (1862-1978)/**108**

Principal Officers of the IRS/**110**

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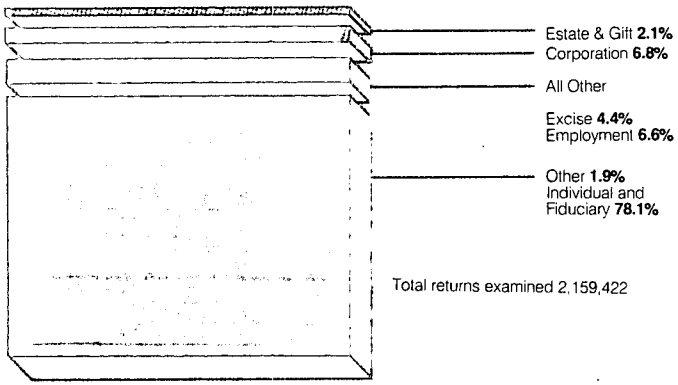
Audit Charts and Tables

Figure 1

Revenue Agents and Tax Auditors (District Examination Divisions)

Percent of Returns Examined
By Type of Tax
FY 1978



Percent of Time Spent on Examinations
By Type of Tax
FY 1978

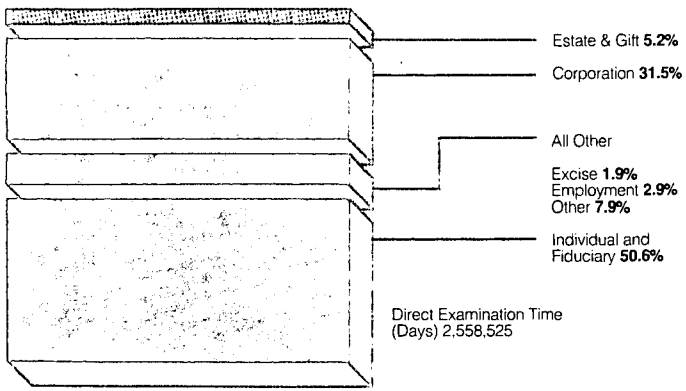


Figure 1 (cont.)

Revenue Agents and Tax Auditors—Continued

Percent of Dollar Recommendations (Millions)
By Type of Tax
FY 1978

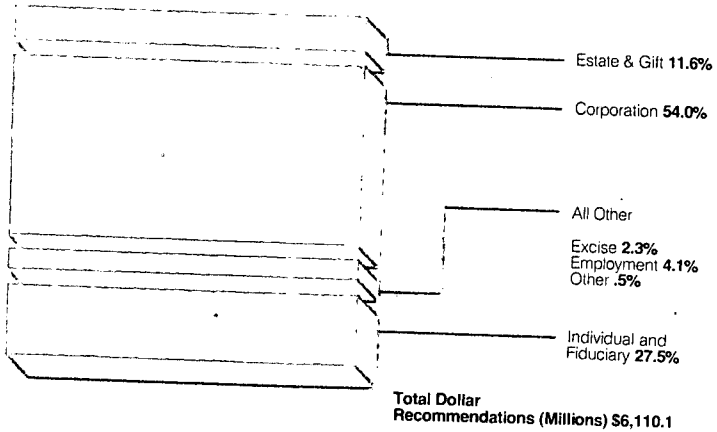


Figure 2

Returns Filed, Examinations and Examination Coverage

	Returns Filed	Returns Examined in FY 1978				
	CY 1977	Revenue Agents	Tax Auditors	Service Center	Total	Percent Coverage
Individual, Total	**85,623,810**	**306,433**	**1,369,419**	**169,390**	**1,845,242**	**2.16**
Form 1040—Standard	27,901,848	7,882	171,303	6,959	186,144	.67
NB under $10,000—Itemized	11,992,130	20,823	286,824	40,337	347,984	2.90
Total	39,893,978	28,705	458,127	47,296	534,128	1.34
NB $10,000 Under $15,000	12,853,606	21,416	267,575	45,826	334,817	2.60
NB $15,000 Under $50,000	21,646,283	49,322	458,369	63,539	571,230	2.64
NB $50,000 and over	799,885	59,493	22,675	1,047	83,215	10.40
B Under $10,000	4,311,616	39,071	98,497	3,677	141,245	3.28
B $10,000 under $30,000	4,910,803	46,934	46,654	6,319	99,907	2.03
B $30,000 and over	1,207,639	61,492	17,522	1,686	80,700	6.68
Fiduciary	**1,675,691**	**11,499**	**43**		**11,542**	**.69**
Form 1065	**1,138,283**	**27,579**	**249**		**27,828**	**2.44**
Corporation, Total	**1,839,364**	**147,273**	**67**		**147,340**	**8.01**
Assets not reported	118,917	7,249	8		7,257	6.10
Under $100,000	932,066	35,625	31		35,656	3.83
$100,000 under $1 Mil	642,425	59,466	19		59,485	9.26
$1 Mil Under $10 Mil	119,188	32,133	9		32,142	26.97
$10 Mil Under $100 Mil	22,592	9,521			9,521	42.14
$100 Mil and over	4,176	3,279			3,279	78.52
Form 1120S	425,287	11,569	42		11,611	2.73
Form 1120 Disc	6,611	1,523			1,523	23.04
Estate, Total	**222,342**	**29,902**	**3,514**		**33,416**	**15.03**
Gross Estate Under $300,000	193,438	14,266	3,124		17,390	8.99
Gross Estate $300,000 and over	28,904	15,636	390		16,026	55.45
Gift	**348,918**	**9,884**	**1,743**		**11,627**	**3.33**
Income, Estate and Gift, Total	91,280,306	545,662	1,375,077	169,390	2,090,129	2.29[1]
Excise	**913,728**	**81,110**	**14,798**		**95,908**	**10.50**
Employment	**25,079,309**	**101,481**	**41,294**		**142,775**	**.57**
Service Center Corrections				**493,783**	**493,783**	

[1] Excluding partnership and Forms 1120S, the coverage would be 2.28

Figure 3

Tax Auditors (Staff Hours per Return)
Individual Returns by Class FYs 1977–1978

	Fiscal Year	
Class	**1977**	**1978**
Total	**3.2**	**3.3**
Form 1040 Standard	1.8	1.9
Nonbusiness, under $10,000—Itemized	2.5	2.7
Nonbusiness, $10,000 under $50,000	3.0	3.0
Nonbusiness, $50,000 and over	3.6	4.3
Business, under $10,000	8.1	7.9
Business, $10,000 under $30,000	6.8	6.9
Business, $30,000 and over	6.3	6.4

Figure 4

Revenue Agents (Staff Hours Per Return)
Individual returns by class FYs 1977–1978

	Fiscal Year	
Class	**1977**	**1978**
Total	**18.6**	**17.3**
Form 1040 Standard	15.9	17.3
Nonbusiness, under $10,000—Itemized	19.2	15.9
Nonbusiness, $10,000 under $50,000	13.3	11.5
Nonbusiness, $50,000 and over	15.2	13.4
Business, under $10,000	22.2	23.0
Business, $10,000 under $30,000	21.0	21.3
Business, $30,000 and over	22.8	21.4

Figure 5

Tax Auditors (Dollar Recommendations per Return)
Individual Returns by Class and Region FYs 1976-1978

	Fiscal Year		
	1976	1977	1978
Class			
Total	**$ 248**	**$303**	**$322**
Form 1040 Standard	144	181	209
Nonbusiness, under $10,000—Itemized	183	209	205
Nonbusiness, $10,000 under $50,000	253	300	306
Nonbusiness, $50,000 and over	726	668	893
Business, under $10,000	570	645	574
Business, $10,000 under $30,000	501	575	636
Business, $30,000 and over	840	876	1,003
Region			
United States	**$ 248**	**$303**	**$322**
North Atlantic	261	323	338
Mid-Atlantic	235	293	306
Southeast	267	317	324
Central	235	273	295
Midwest	250	280	340
Southwest	250	283	322
Western	228	308	313
OIO	397	512	459

Figure 6

Revenue Agents (Dollar Recommendations Per Return)
Individual Returns by Class and Region FYs 1976-1978

	Fiscal Year		
	1976	1977	1978
Class			
Total	**$2,972**	**$3,692**	**$3,898**
Form 1040 Standard	1,251	3,398	4,391
Nonbusiness, under $10,000—Itemized	2,619	4,510	4,542
Nonbusiness, $10,000 under $50,000	1,844	2,454	2,338
Nonbusiness, $50,000 and over	5,037	6,085	4,830
Business, under $10,000	1,810	2,191	3,125
Business, $10,000 under $30,000	1,790	1,759	1,951
Business, $30,000 and over	5,025	5,647	6,416
Region			
United States	**$2,972**	**$3,692**	**$3,898**
North Atlantic	3,778	4,074	4,701
Mid-Atlantic	3,228	4,548	4,113
Southeast	3,512	3,598	4,673
Central	2,435	3,920	4,076
Midwest	2,842	3,338	2,513
Southwest	2,996	3,583	3,683
Western	2,162	3,139	3,682
OIO	8,585	6,308	9,898

Figure 7

Revenue Agent Audits of Corporations (Dollar Recommendations Per Return) Corporation Returns by Class Group and Region FYs 1976-1978

	Fiscal Year		
	1976	1977	1978
Class			
Total	**$ 16,916**	**$ 14,664**	**$ 22,402**
No balance sheet	7,631	16,256	19,087
Under $100,000	1,446	1,442	1,331
$100,000 under $1 Mil	2,933	2,925	3,363
$1 Mil under $10 Mil	10,337	9,856	11,855
$10 Mil under $100 Mil	39,104	42,123	48,078
$100 Mil and over	577,922	434,320	632,734
Region			
United States	**$ 16,916**	**$ 14,664**	**$ 22,402**
North Atlantic	22,322	15,793	24,902
Mid-Atlantic	13,689	13,666	20,412
Southeast	10,395	16,063	15,027
Central	15,757	10,307	24,083
Midwest	18,048	16,983	19,748
Southwest	18,893	12,272	28,904
Western	16,316	15,587	23,395
OIO	22,921	25,487	43,403

Figure 8

No Change Percent—Individual Returns and Time by Class and Region, FY 1976-1978 Tax Auditors

	Returns			Time		
	FY 1976	FY 1977	FY 1978	FY 1976	FY 1977	FY 1978
Class						
Total	**24**	**26**	**26**	**17**	**19**	**19**
Form 1040—Standard	33	33	32	29	29	28
NB Under $10,000—Itemized	21	27	28	16	22	22
NB $10,000 Under $50,000	23	23	24	16	17	18
NB $50,000 and Over	37	41	35	25	28	23
Business Under $10,000	18	24	25	15	19	19
Business $10,000 Under $30,000	14	20	19	11	15	14
Business $30,000 and Over	22	29	27	17	21	19
Region						
United States	**24**	**26**	**26**	**17**	**19**	**19**
North Atlantic	26	26	27	20	21	21
Mid-Atlantic	28	26	27	21	20	22
Southeast	21	27	25	14	19	19
Central	24	28	28	17	21	21
Midwest	20	28	25	14	20	19
Southwest	25	29	26	16	21	19
Western	21	22	25	15	17	18
OIO	25	23	22	18	17	16

Figure 9

No Change Percent—Individual Return and Time—by Class and Region—FYs 1976-1978
Revenue Agents

	Returns			Time		
	1976	1977	1978	1976	1977	1978
Class						
Total	**14**	**13**	**13**	**11**	**10**	**11**
Form 1040 Standard	17	14	12	11	10	8
NB under $10,000—Itemized	15	13	12	11	11	9
NB $10,000 under $50,000	12	10	11	10	9	9
NB $50,000 and over	12	11	15	10	9	14
Bus. under $10,000	16	16	15	12	12	11
Bus. $10,000 under $30,000	14	15	13	11	11	10
Bus. $30,000 and over	16	15	14	12	11	11
Region						
United States	**14**	**13**	**13**	**11**	**10**	**11**
North Atlantic	11	10	11	9	10	10
Mid-Atlantic	17	16	18	15	13	14
Southeast	15	13	13	10	10	9
Central	16	14	14	13	11	11
Midwest	13	14	12	10	11	10
Southwest	14	13	13	10	10	10
Western	14	12	13	11	10	11
OIO	20	13	12	15	11	12

Figure 10

No Change Percent—Corporation—Returns and Time—By Class Group and Region—FYs 1976-1978
Revenue Agents

	Returns			Time		
	1976	1977	1978	1976	1977	1978
Class						
Total	**26**	**25**	**23**	**15**	**15**	**12**
No Balance Sheet	31	21	19	21	14	12
Under $100,000	32	33	31	27	28	27
$100,000 Under $1 Mil	23	26	24	21	23	21
$1 Mil Under $10 Mil	23	22	20	18	16	14
$10 Mil Under $100 Mil	15	15	12	6	8	6
$100 Mil and Over	6	7	6	1	2	1
Region						
United States	**26**	**25**	**23**	**15**	**15**	**12**
North Atlantic	26	24	24	14	15	11
Mid-Atlantic	30	28	25	19	17	12
Southeast	26	23	22	17	14	12
Central	27	29	23	15	17	13
Midwest	22	24	21	12	14	12
Southwest	28	26	25	16	16	13
Western	23	24	22	15	14	12
OIO	39	19	20	30	14	12

Figure 11

Estate, Gift, Employment, Excise and Fiduciary Tax Returns—Dollar Recommendations Per Return and No Change Percent

Dollar Recommendations Per Return	Revenue Agents			Tax Auditors		
	FY 1976	FY 1977	FY 1978	FY 1976	FY 1977	FY 1978
Estate	$13,964	$16,639	$20,958	$1,468	$1,496	$1,552
Gift	6,714	7,580	7,802	1,184	903	912
Employment	1,593	1,541	2,277	432	411	401
Excise	1,045	1,003	1,707	202	141	158
Fiduciary	2,081	4,413	3,905	851	392	335
No Change Percent						
Estate	13	13	12	20	19	19
Gift	25	23	23	30	30	31
Employment	13	15	12	6	9	9
Excise	28	27	23	17	13	9
Fiduciary	50	40	34	28	30	26

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 (States represented by single districts indicated in parentheses, totals for other States shown at bottom of table)	Total internal revenue collections	Corporation income tax [2]	Individual income and employment taxes: Total	Income tax not withheld and SECA [3,4,5]	Income tax withheld and FICA [3,4,5]	Railroad Retirement	Unemployment insurance [7]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total	399,776,389	65,380,145	310,349,797	52,071,370	253,617,181	2,019,231	2,642,014
North-Atlantic Region	68,308,991	13,302,419	52,217,676	6,701,815	45,046,603	53,435	415,821
Albany (See (c) below)	3,762,923	162,747	3,563,686	261,658	3,272,861	6,820	22,347
Augusta (Maine)	988,161	118,661	833,957	171,445	646,845	7,895	7,772
Boston (Massachusetts)	9,853,768	1,678,709	7,781,503	1,139,448	6,544,057	11,688	66,311
Brooklyn (See (c) below)	6,424,322	639,388	5,394,279	1,194,739	4,136,088	18,823	44,628
Buffalo (See (c) below)	5,969,667	1,167,986	4,528,899	637,907	3,851,970	358	38,663
Burlington (Vermont)	396,383	44,638	340,354	73,872	262,974	519	2,991
Hartford [8] (Connecticut)	8,565,096	2,147,471	5,943,880	970,199	4,928,913	131	44,637
Manhattan (See (c) below)	29,706,631	6,988,031	21,644,966	1,906,938	19,562,515	6,538	168,974
Portsmouth (New Hampshire)	1,059,936	149,565	867,862	173,449	686,469	23	7,922
Providence (Rhode Island)	1,582,114	205,222	1,338,290	172,161	1,153,912	640	11,577
Mid-Atlantic Region	57,272,504	8,137,098	45,772,816	6,532,074	38,096,126	825,124	319,492
Baltimore [8] (Maryland & D.C.)	11,194,046	1,203,926	9,409,689	1,198,860	7,762,200	403,766	44,863
Newark [6] (New Jersey)	15,683,421	3,583,076	11,476,325	1,800,203	9,578,829	5,642	91,652
Philadelphia (See (e) below)	13,198,561	1,486,036	10,935,911	1,515,529	9,026,893	314,071	79,418
Pittsburgh (See (e) below)	9,099,017	925,925	7,665,958	861,054	6,722,659	26,782	55,463
Richmond (Virginia)	6,391,597	675,021	4,918,135	1,006,199	3,798,297	74,862	38,776
Wilmington (Delaware)	1,705,862	263,113	1,366,798	150,229	1,207,248	2	9,320
Southeast Region	37,910,374	5,639,040	29,154,523	6,421,155	22,368,435	93,187	271,746
Atlanta (Georgia)	6,483,914	1,075,171	4,898,447	785,589	4,061,954	3,188	47,716
Birmingham (Alabama)	3,636,251	464,667	2,983,213	566,543	2,385,736	3,039	27,894
Columbia (South Carolina)	2,558,386	327,539	2,163,304	406,682	1,733,584	575	22,462
Greensboro (North Carolina)	7,705,367	1,341,143	5,009,641	882,475	4,074,418	343	52,405
Jackson (Mississippi)	1,520,521	211,959	1,264,367	355,261	895,700	848	12,558
Jacksonville [8] (Florida)	10,971,182	1,452,664	8,843,474	2,566,105	6,120,025	85,004	72,340
Nashville [8] (Tennessee)	5,034,752	765,897	3,992,077	858,500	3,097,017	190	36,371
Central Region	58,877,401	8,436,939	46,051,150	6,148,659	39,452,268	95,579	354,644
Cincinnati [8] (See (d) below)	8,334,996	1,525,249	6,429,117	929,568	5,444,476	*	55,072
Cleveland (See (d) below)	14,750,062	2,071,249	11,352,515	1,289,575	9,973,461	8,259	81,220
Detroit (Michigan)	20,953,144	3,269,502	16,810,313	1,729,333	14,915,063	26,049	139,869
Indianapolis (Indiana)	8,625,166	842,938	7,292,252	1,193,442	6,053,357	1,116	44,337
Louisville (Kentucky)	4,650,928	546,891	2,844,008	697,379	2,063,036	60,047	23,547
Parkersburg (West Virginia)	1,563,105	181,111	1,322,945	309,362	1,002,876	108	10,599
Midwest Region	65,035,969	11,888,009	49,693,289	7,770,500	40,915,773	621,311	385,704
Aberdeen (South Dakota)	567,379	51,774	499,073	156,407	338,637	3	4,027
Chicago [8] (See (b) below)	26,515,559	5,430,100	19,734,520	2,497,147	16,863,810	212,353	151,210
Des Moines (Iowa)	3,652,653	652,693	2,860,788	850,239	1,988,379	811	21,359
Fargo (North Dakota)	640,674	55,090	560,803	185,200	371,719	7	3,877
Milwaukee (Wisconsin)	7,820,816	1,633,853	5,788,784	843,092	4,896,019	1,224	48,450
Omaha (Nebraska)	2,475,168	330,499	2,006,734	417,156	1,481,534	94,184	13,860
St. Louis (Missouri)	10,050,111	1,438,135	7,899,554	1,126,963	6,583,715	127,271	61,666
St. Paul (Minnesota)	8,661,201	1,491,447	6,891,350	821,731	5,839,884	181,266	48,469
Springfield (See (b) below)	4,663,409	804,219	3,451,683	872,565	2,552,078	4,193	22,848
Southwest Region	47,116,143	8,278,520	35,413,508	8,102,791	26,876,229	160,351	274,138
Albuquerque (New Mexico)	1,055,104	97,001	925,686	218,780	699,417	59	7,431
Austin [8] (See (f) below)	14,582,195	3,066,130	10,191,526	2,332,590	7,773,669	8,252	77,016
Cheyenne (Wyoming)	549,536	70,466	430,176	149,181	277,901	1	3,093
Dallas (See (f) below)	10,537,159	2,062,480	7,685,101	1,947,155	5,659,081	11,138	67,727
Denver (Colorado)	5,807,923	498,054	5,015,557	687,345	4,280,328	20,529	27,355
Little Rock (Arkansas)	1,794,169	264,601	1,441,435	430,580	995,978	1,095	13,783
New Orleans (Louisiana)	4,906,512	876,530	3,876,186	916,448	2,927,906	1,434	30,399
Oklahoma City (Oklahoma)	4,568,368	922,154	3,121,914	730,733	2,364,256	183	26,742
Wichita (Kansas)	3,315,177	421,106	2,725,926	689,980	1,897,693	117,659	20,574
Western Region	62,182,312	9,482,471	49,429,854	9,564,851	39,309,998	164,986	390,020
Anchorage (Alaska)	787,118	63,542	709,710	104,673	600,809	—	4,228
Boise (Idaho)	1,202,849	184,574	995,601	187,275	798,203	784	9,339
Helena (Montana)	708,673	64,002	622,185	203,322	413,655	526	4,682
Honolulu (Hawaii)	1,208,480	147,164	1,032,491	195,338	829,292	*	7,861
Los Angeles (See (a) below)	24,334,703	4,202,519	18,864,640	3,621,844	15,083,152	477	159,168
Phoenix (Arizona)	2,619,030	257,301	2,292,741	497,909	1,774,527	352	19,953
Portland [8] (Oregon)	3,993,246	692,208	3,180,367	692,875	2,457,404	3,563	26,525
Reno (Nevada)	1,199,581	149,280	994,614	234,103	751,941	1	8,569
Salt Lake City (Utah)	1,403,658	206,486	1,163,377	217,655	934,093	1,483	10,146
San Francisco [6] (See (a) below)	18,438,072	2,596,317	14,479,088	2,568,275	11,652,556	156,367	101,889
Seattle (Washington)	6,296,901	919,077	5,095,039	1,041,581	4,014,367	1,432	37,659
Office of International Operations	1,865,314	173,000	1,476,379	217,681	1,240,000	4,401	14,297
Puerto Rico	687,277	3,613	496,794	23,414	459,824	*	13,556
Other	1,178,037	169,387	979,586	194,267	780,176	4,401	741
Undistributed:							
Federal tax deposits [9]	695,984	3,354	678,481	—	461,472	857	216,152
Gasoline, lubricating oil, and excess FICA credits [10]	651,140	39,296	611,844	611,844	—	—	—
Transferred to Government of Guam	−15,169	—	−15,169	—	−15,169	—	—
Withheld taxes of Federal employees	−180,816	—	−180,816	—	−180,816	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy	−17	—	—	—	—	—	—
Presidential Election Fund [11]	39,077	—	39,077	—	39,077	—	—
Earned Income Credits [12]	7,184	—	7,184	—	7,184	—	—
Totals for States not shown above							
(a) California	42,772,775	6,798,836	33,343,728	6,190,119	26,735,708	156,844	261,057
(b) Illinois	31,148,968	6,234,319	23,186,203	3,369,712	19,415,887	216,546	184,058
(c) New York	45,863,543	8,958,153	35,131,830	4,001,243	30,823,435	32,540	274,612
(d) Ohio	23,085,057	3,596,498	17,781,632	2,219,144	15,417,937	8,259	136,292
(e) Pennsylvania	22,297,578	2,411,961	18,601,869	2,376,583	15,749,552	340,852	134,881
(f) Texas	25,119,354	5,128,609	17,876,628	4,279,745	13,432,751	19,390	144,743

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 53) (10)	Total (sum of columns 12, 18 and 22) (11)	Alcohol taxes — Distilled spirits taxes — Total (12)	Imported (Collected by Customs) (13)	Domestic[12] (14)	Rectification[13] (15)	Occupational[14] (16)	Other[14] (17)
United States, total	5,242,080	139,419	18,664,949	5,612,715	3,999,566	702,336	3,259,100	21,467	16,564	99
North-Atlantic Region	869,050	29,800	1,890,046	641,975	437,085	214,654	218,890	1,251	2,246	44
Albany (See (c) below)	25,048	557	10,885	409	197	—	4	—	193	—
Augusta (Maine)	17,632	4,392	13,520	3,332	3,271	—	3,130	37	104	—
Boston (Massachusetts)	120,897	2,603	290,056	157,996	148,011	78,935	67,777	857	442	—
Brooklyn (See (c) below)	189,521	2,169	198,966	16,719	13,664	—	13,360	—	300	4
Buffalo (See (c) below)	75,710	1,352	195,720	142,640	391	—	—	—	391	—
Burlington (Vermont)	7,143	182	4,065	76	75	—	—	—	75	—
Hartford[1] (Connecticut)	120,496	5,285	347,953	132,715	132,588	—	131,957	337	294	—
Manhattan (See (c) below)	277,935	12,732	782,967	155,721	136,074	135,719	2	—	314	41
Portsmouth (New Hampshire)	13,908	122	28,478	24,408	2,725	—	2,660	20	44	*
Providence (Rhode Island)	20,760	407	17,436	7,958	89	—	—	—	89	—
Mid-Atlantic Region	624,588	14,086	2,723,916	907,158	719,568	61,749	650,715	5,217	1,886	1
Baltimore[2] (Maryland & D.C.)	133,776	3,405	443,249	290,731	266,816	61,749	201,976	2,784	308	—
Newark[4] (New Jersey)	145,840	2,335	475,844	292,552	226,293	—	224,618	1,092	582	1
Philadelphia (See (e) below)	151,033	3,409	622,171	194,010	137,282	—	135,828	1,019	435	—
Pittsburgh (See (e) below)	81,694	2,479	422,961	90,814	78,968	—	78,359	291	318	—
Richmond (Virginia)	91,172	1,802	705,466	39,007	10,165	—	9,934	31	200	—
Wilmington (Delaware)	21,072	655	54,224	44	43	—	—	—	43	—
Southeast Region	690,587	14,672	2,411,552	316,511	137,062	54,349	80,758	63	1,847	45
Atlanta (Georgia)	63,467	1,787	445,040	54,082	14,722	—	14,384	48	288	2
Birmingham (Alabama)	53,851	1,144	133,376	3,780	3,657	3,552	21	—	79	5
Columbia (South Carolina)	30,101	758	36,684	638	220	—	2	—	215	3
Greensboro (North Carolina)	72,100	1,967	1,280,517	48,802	311	—	13	—	298	—
Jackson (Mississippi)	19,255	1,973	22,968	172	84	—	14	*	65	5
Jacksonville[5] (Florida)	319,592	5,262	350,191	129,317	60,900	50,796	9,251	15	808	30
Nashville[5] (Tennessee)	132,221	1,782	142,775	79,720	57,168	—	57,072	—	96	*
Central Region	555,900	11,691	3,821,722	1,587,968	1,441,181	177,651	1,251,043	9,933	2,554	*
Cincinnati[6] (See (d) below)	98,661	1,979	279,989	238,524	190,187	—	188,818	939	430	—
Cleveland (See (d) below)	118,047	3,052	1,205,199	59,713	48,978	34,933	12,332	1,041	670	—
Detroit (Michigan)	147,127	2,624	723,579	357,391	293,577	142,718	149,158	842	860	—
Indianapolis (Indiana)	108,780	2,412	378,785	268,014	257,996	—	253,577	4,007	412	—
Louisville (Kentucky)	52,729	871	1,206,431	658,017	644,204	—	640,971	3,103	130	—
Parkersburg (West Virginia)	30,557	753	27,739	5,309	6,239	—	6,187	—	52	—
Midwest Region	848,588	18,037	2,588,046	808,741	458,573	61,720	390,791	3,260	2,802	—
Aberdeen (South Dakota)	14,095	260	11,178	88	62	—	—	*	62	—
Chicago[3] (See (b) below)	302,686	5,167	1,043,086	172,173	164,879	45,208	118,607	351	714	—
Des Moines (Iowa)	92,378	2,383	54,410	572	183	—	1	—	182	—
Fargo (North Dakota)	14,484	406	9,891	144	134	74	—	—	61	—
Milwaukee (Wisconsin)	71,221	836	326,120	203,295	7,700	4,002	2,892	27	779	—
Omaha (Nebraska)	52,004	1,535	84,196	3,974	134	—	—	—	134	—
St. Louis (Missouri)	108,094	3,018	601,310	152,723	56,949	8,773	56,728	1,061	387	—
St. Paul (Minnesota)	89,284	1,466	187,655	51,861	24,274	3,663	20,246	161	204	—
Springfield (See (b) below)	104,341	2,966	270,200	223,911	194,258	—	192,317	1,661	281	—
Southwest Region	656,022	28,118	2,739,975	323,626	74,966	44,458	28,485	4	2,017	3
Albuquerque (New Mexico)	16,523	572	15,322	1,814	1,811	—	1,748	1	61	—
Austin[3] (See (f) below)	186,869	12,695	1,124,976	78,341	33,252	29,035	3,506	—	709	3
Cheyenne (Wyoming)	12,774	370	35,749	44	37	—	*	—	37	—
Dallas (See (f) below)	151,015	6,495	632,069	88,540	459	—	*	1	458	—
Denver (Colorado)	48,146	1,218	244,948	111,707	182	—	*	—	182	—
Little Rock (Arkansas)	21,800	972	65,360	457	83	—	2	—	81	—
New Orleans (Louisiana)	79,885	1,893	72,019	38,472	35,139	15,423	19,410	2	304	—
Oklahoma City (Oklahoma)	71,152	1,441	451,708	214	71	—	1	—	70	—
Wichita (Kansas)	67,859	2,463	97,825	4,037	3,933	—	3,818	—	115	—
Western Region	982,109	22,584	2,275,294	850,746	555,145	87,761	462,466	1,702	3,211	5
Anchorage (Alaska)	2,412	60	11,394	233	46	6	—	—	39	—
Boise (Idaho)	12,520	222	9,932	87	70	—	—	—	70	—
Helena (Montana)	11,855	1,114	9,516	2,541	2,490	375	2,030	4	79	—
Honolulu (Hawaii)	11,827	573	16,425	3,757	2,714	2,531	101	3	80	—
Los Angeles (See (a) below)	341,604	9,558	916,383	240,337	157,288	43,160	112,856	223	1,050	—
Phoenix (Arizona)	49,159	1,231	18,599	4,216	1,943	1,656	*	—	286	—
Portland[8] (Oregon)	40,608	1,520	78,543	25,830	20,735	1,637	18,836	49	213	—
Reno (Nevada)	40,013	1,499	14,174	83	81	—	—	—	76	5
Salt Lake City (Utah)	14,228	357	19,210	39	13	—	—	—	13	—
San Francisco (See (a) below)	384,430	5,382	972,854	508,518	356,745	31,718	322,669	1,396	961	—
Seattle (Washington)	73,452	1,068	208,264	65,106	13,021	6,676	5,973	28	344	—
Office of International Operations	15,237	431	200,266	175,990	175,985	−5	175,953	35	*	1
Puerto Rico	477	80	186,314	175,989	175,984	−5	175,952	35	*	1
Other	14,760	351	13,953	1	1	—	1	—	*	—
Undistributed:										
Federal tax deposits[9]	—	—	14,149	—	—	—	—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[10]	—	—	—	—	—	—	—	—	—	—
Transferred to Government of Guam	—	—	—	—	—	—	—	—	—	—
Withheld taxes of Federal employees	—	—	—	—	—	—	—	—	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy	—	—	−17	—	—	—	—	—	—	—
Presidential Election Fund[11]	—	—	—	—	—	—	—	—	—	—
Earned Income Credits[12]	—	—	—	—	—	—	—	—	—	—
Totals for States not shown above										
(a) California	726,034	14,940	1,889,237	748,855	514,033	74,878	435,525	1,619	2,010	—
(b) Illinois	407,027	8,133	1,313,286	396,083	359,138	45,208	310,924	2,011	995	—
(c) New York	568,213	16,810	1,188,538	315,490	150,326	135,719	13,365	—	1,198	44
(d) Ohio	216,708	5,031	1,485,188	298,237	239,164	34,933	201,150	1,980	1,100	*
(e) Pennsylvania	232,727	5,888	1,045,133	284,824	216,251	—	214,187	1,311	753	—
(f) Texas	337,883	19,189	1,757,045	166,881	33,711	29,035	3,506	1	1,168	3

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[12] (20)	Occupational taxes[14] (21)	Beer taxes — Total (22)	Imported (Collected by Customs) (23)	Domestic[12] (24)	Occupational taxes[14] (25)
United States, total	189,535	33,676	155,818	41	1,423,614	26,603	1,394,137	2,875
North-Atlantic Region	35,718	13,639	22,079	*	169,171	15,666	153,122	383
Albany (See (c) below)	171	—	171	*	41	—	—	41
Augusta (Maine)	30	—	30	*	31	—	—	31
Boston (Massachusetts)	2,381	2,304	76	*	7,604	7,596	1	8
Brooklyn (See (c) below)	2,962	—	2,962	—	93	—	—	93
Buffalo (See (c) below)	18,570	—	18,570	*	123,679	—	123,591	88
Burlington (Vermont)	*	—	—	*	1	—	—	1
Hartford[1] (Connecticut)	77	—	77	—	49	—	16	33
Manhattan (See (c) below)	11,515	11,334	180	—	8,132	8,070	—	62
Portsmouth (New Hampshire)	11	—	11	—	21,673	—	21,647	25
Providence (Rhode Island)	2	—	2	—	7,857	—	7,857	1
Mid-Atlantic Region	8,311	4,113	4,197	1	179,279	1,433	177,533	313
Baltimore[2] (Maryland & D.C.)	4,127	4,113	14	*	19,788	1,433	18,325	30
Newark[4] (New Jersey)	910	—	910	—	65,349	—	65,315	34
Philadelphia (See (e) below)	1,481	—	1,481	—	55,247	—	55,159	88
Pittsburgh (See (e) below)	9	—	9	*	11,837	—	11,760	76
Richmond (Virginia)	1,784	—	1,783	*	27,058	—	26,973	85
Wilmington (Delaware)	—	—	—	—	1	—	—	1
Southeast Region	5,060	3,368	1,691	2	174,389	1,004	172,857	528
Atlanta (Georgia)	641	—	640	1	38,720	51	38,620	48
Birmingham (Alabama)	62	61	—	*	61	—	—	61
Columbia (South Carolina)	384	—	384	*	35	—	—	35
Greensboro (North Carolina)	4	—	4	*	48,487	—	48,403	84
Jackson (Mississippi)	*	—	*	—	88	—	—	88
Jacksonville[5] (Florida)	3,970	3,306	663	1	64,447	953	63,394	100
Nashville[5] (Tennessee)	—	—	—	—	22,553	—	22,441	112
Central Region	4,645	3,197	1,449	*	142,141	1,873	140,058	210
Cincinnati[6] (See (d) below)	536	—	536	—	47,802	—	47,780	22
Cleveland (See (d) below)	1,599	1,376	223	*	9,136	27	9,088	21
Detroit (Michigan)	2,500	1,821	679	*	61,314	1,845	59,453	16
Indianapolis (Indiana)	10	—	10	—	10,008	—	9,982	27
Louisville (Kentucky)	1	—	1	*	13,812	—	13,756	56
Parkersburg (West Virginia)	*	—	*	—	69	—	—	69
Midwest Region	7,601	3,475	4,126	*	342,567	702	341,401	463
Aberdeen (South Dakota)	—	—	—	—	26	—	—	26
Chicago[3] (See (b) below)	5,590	2,371	3,219	*	1,703	571	1,109	23
Des Moines (Iowa)	29	—	29	*	360	—	300	61
Fargo (North Dakota)	1	1	—	—	9	1	—	7
Milwaukee (Wisconsin)	410	400	10	—	195,185	64	195,015	106
Omaha (Nebraska)	—	—	—	—	3,840	—	3,816	24
St. Louis (Missouri)	1,307	452	855	—	84,467	11	84,360	96
St. Paul (Minnesota)	252	251	*	—	27,335	55	27,180	101
Springfield (See (b) below)	12	—	12	—	29,640	—	29,622	18
Southwest Region	2,104	1,745	358	*	246,556	1,070	244,762	724
Albuquerque (New Mexico)	*	—	*	—	3	—	—	3
Austin[3] (See (f) below)	1,388	1,385	4	—	43,700	891	42,563	247
Cheyenne (Wyoming)	—	—	—	—	7	—	—	7
Dallas (See (f) below)	1	—	*	*	88,080	—	87,987	94
Denver (Colorado)	1	—	1	—	111,525	—	111,497	28
Little Rock (Arkansas)	351	—	351	—	23	—	—	23
New Orleans (Louisiana)	362	361	1	*	2,971	179	2,716	76
Oklahoma City (Oklahoma)	*	—	*	*	142	—	—	142
Wichita (Kansas)	—	—	—	—	104	—	—	104
Western Region	126,093	4,139	121,916	37	169,508	4,854	164,400	253
Anchorage (Alaska)	1	1	*	—	186	2	184	1
Boise (Idaho)	1	—	1	—	16	—	—	16
Helena (Montana)	14	14	—	*	38	15	—	23
Honolulu (Hawaii)	107	70	1	37	935	240	693	2
Los Angeles (See (a) below)	6,572	1,821	4,751	*	76,477	3,120	73,289	68
Phoenix (Arizona)	3	3	—	—	2,271	*	2,251	19
Portland[8] (Oregon)	177	150	28	*	4,918	78	4,828	12
Reno (Nevada)	—	—	—	—	2	—	—	2
Salt Lake City (Utah)	—	—	—	—	26	—	—	26
San Francisco[8] (See (a) below)	118,580	1,698	116,882	1	33,193	1,223	31,902	69
Seattle (Washington)	638	383	255	*	51,447	178	51,253	15
Office of International Operations	2	—	2	—	3	—	3	—
Puerto Rico	2	—	2	—	3	—	3	—
Other	—	—	—	—	—	—	—	—
Undistributed:								
Federal tax deposits[9]	—	—	—	—	—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[10]	—	—	—	—	—	—	—	—
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[11]	—	—	—	—	—	—	—	—
Earned Income Credits[12]	—	—	—	—	—	—	—	—
Totals for States not shown above								
(a) California	125,152	3,519	121,632	1	109,670	4,343	105,191	137
(b) Illinois	5,602	2,371	3,231	*	31,343	571	30,731	42
(c) New York	33,218	11,334	21,884	*	131,946	8,070	123,591	284
(d) Ohio	2,135	1,376	759	*	56,937	27	56,868	42
(e) Pennsylvania	1,490	—	1,490	*	67,083	—	66,919	164
(f) Texas	1,389	1,385	4	*	131,781	891	130,549	340

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)		Tobacco taxes: Total (26)	Cigarettes[12] (27)	Cigars[12] (28)	Other[14] (29)
United States, total		2,450,913	2,408,425	38,050	4,438
North-Atlantic Region	(See (c) below)	2,524	130	348	2,046
Albany	(Maine)	84	—	74	10
Augusta	(Massachusetts)	—	—	—	—
Boston	(See (c) below)	279	1	*	278
Brooklyn	(See (c) below)	14	14	*	—
Buffalo	(Vermont)	*	*	—	—
Burlington	(Connecticut)	—	—	—	—
Hartford[9]	(See (c) below)	258	—	258	*
Manhattan	(New Hampshire)	1,888	116	15	1,757
Portsmouth	(Rhode Island)	—	—	—	—
Providence		—	—	—	—
Mid-Atlantic Region		638,976	626,754	11,769	452
Baltimore[9]	(Maryland & D.C.)	310	—	12	310
Newark[9]	(New Jersey)	465	363	11,743	90
Philadelphia	(See (e) below)	11,743	1	3	—
Pittsburgh	(See (e) below)	3	—	12	52
Richmond	(Virginia)	626,453	626,390	—	—
Wilmington	(Delaware)	—	—	12,914	1,534
Southeast Region		1,295,480	1,281,032	890	—
Atlanta	(Georgia)	69,785	68,895	4,043	*
Birmingham	(Alabama)	4,168	125	56	—
Columbia	(South Carolina)	5,275	5,219	877	404
Greensboro	(North Carolina)	1,207,973	1,206,692	—	—
Jackson	(Mississippi)	—	—	7,044	511
Jacksonville[9]	(Florida)	7,645	90	3	619
Nashville[9]	(Tennessee)	633	12	2,497	33
Central Region		502,955	500,425	—	—
Cincinnati[4]	(See (d) below)	—	—	559	24
Cleveland	(See (d) below)	584	—	1	2
Detroit	(Michigan)	3	1	403	—
Indianapolis	(Indiana)	4,346	3,943	1,346	7
Louisville	(Kentucky)	497,833	496,481	189	—
Parkersburg	(West Virginia)	189	—	7	275
Midwest Region		282	—	—	—
Aberdeen	(South Dakota)	—	—	2	274
Chicago[9]	(See (b) below)	276	—	—	—
Des Moines	(Iowa)	—	—	—	*
Fargo	(North Dakota)	*	—	6	*
Milwaukee	(Wisconsin)	6	—	—	*
Omaha	(Nebraska)	—	—	—	*
St. Louis	(Missouri)	*	—	—	—
St. Paul	(Minnesota)	*	—	—	—
Springfield	(See (b) below)	—	—	217	5
Southwest Region		230	8	—	—
Albuquerque	(New Mexico)	—	—	217	5
Austin[9]	(See (f) below)	230	8	—	—
Cheyenne	(Wyoming)	—	—	—	—
Dallas	(See (f) below)	—	—	—	—
Denver	(Colorado)	—	—	—	—
Little Rock	(Arkansas)	—	—	—	*
New Orleans	(Louisiana)	*	*	—	—
Oklahoma City	(Oklahoma)	—	—	—	—
Wichita	(Kansas)	—	—	—	—
Western Region		133	2	38	93
Anchorage	(Alaska)	*	*	—	*
Boise	(Idaho)	—	—	—	—
Helena	(Montana)	*	—	—	2
Honolulu	(Hawaii)	3	1	—	60
Los Angeles	(See (a) below)	97	*	36	*
Phoenix	(Arizona)	*	—	—	*
Portland[9]	(Oregon)	*	*	—	—
Reno	(Nevada)	1	—	1	—
Salt Lake City	(Utah)	—	—	—	20
San Francisco[9]	(See (a) below)	21	1	*	10
Seattle	(Washington)	11	*	—	—
Office of International Operations		10,334	74	10,260	—
Puerto Rico		10,334	74	10,260	—
Other		—	—	—	—
Undistributed:					
Federal tax deposits[9]		—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[10]		—	—	—	—
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[11]		—	—	—	—
Earned Income Credits[12]		—	—	—	—
Totals for States not shown above					
(a) California		118	1	37	80
(b) Illinois		276	—	2	274
(c) New York		1,987	130	89	1,768
(d) Ohio		584	—	559	24
(e) Pennsylvania		11,747	1	11,746	—
(f) Texas		230	8	217	5

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)		Manufacturers excise taxes: Total (30)	Gasoline (31)	Lubricating oil, etc. (32)	Tires (wholly or in part of rubber) inner tubes and tread rubber (33)	Motor vehicle chassis bodies, parts and accessories (34)	Other[14] (35)	Retailers excise taxes: Total (36)	Non-Commercial aviation fuel gasoline (37)	Non-Commercial aviation fuel other than gasoline (38)
United States, total		6,555,681	4,444,484	105,227	846,313	998,779	160,878	523,677	10,954	31,289
North-Atlantic Region		484,715	213,068	1,344	189,340	18,567	62,395	27,145	649	2,861
Albany	(See (c) below)	4,351	3,745	*	63	389	154	1,395	35	64
Augusta	(Maine)	6,785	5,954	*	713	102	15	1,904	49	104
Boston	(Massachusetts)	60,747	51,299	239	583	1,329	7,299	3,813	104	126
Brooklyn	(See (c) below)	22,836	10,704	46	8,815	3,091	179	1,589	85	105
Buffalo	(See (c) below)	53,864	25,820	93	22,734	3,861	1,356	7,053	158	1,127
Burlington	(Vermont)	2,555	2,293	*	74	16	171	709	20	27
Hartford[9]	(Connecticut)	193,910	17,810	32	125,206	5,204	45,658	3,622	118	508
Manhattan	(See (c) below)	126,476	84,760	930	30,858	3,663	6,264	4,857	38	608
Portsmouth	(New Hampshire)	3,792	2,242	2	166	151	1,231	1,479	22	40
Providence	(Rhode Island)	9,400	8,442	2	129	760	67	724	18	152
Mid-Atlantic Region		808,185	550,527	19,724	89,975	123,067	24,892	58,887	730	4,835
Baltimore[9]	(Maryland & D.C.)	81,325	29,976	362	49,831	774	382	4,842	70	118
Newark[9]	(New Jersey)	86,037	58,679	2,940	10,620	10,340	3,458	9,259	239	1,927
Philadelphia	(See (e) below)	308,335	172,771	6,187	23,281	101,987	4,108	13,331	103	328
Pittsburgh	(See (e) below)	306,699	270,529	10,235	5,205	8,290	12,440	22,244	159	1,225
Richmond	(Virginia)	24,597	17,560	*	1,026	1,537	4,473	7,686	149	340
Wilmington	(Delaware)	1,193	1,011	*	12	139	31	1,525	11	897
Southeast Region		213,701	156,450	961	12,763	36,583	6,943	63,814	2,050	2,965
Atlanta	(Georgia)	37,938	25,242	135	1,098	11,239	224	9,842	295	745
Birmingham	(Alabama)	28,531	15,936	−23	2,952	8,383	1,283	7,309	147	283
Columbia	(South Carolina)	22,572	20,780	9	295	555	934	4,005	128	107
Greensboro	(North Carolina)	53,932	44,786	13	2,688	6,323	123	10,908	289	519
Jackson	(Mississippi)	14,298	8,962	13	4,023	1,266	35	4,283	134	143
Jacksonville[9]	(Florida)	21,323	13,739	594	649	3,499	2,842	16,072	606	462
Nashville[9]	(Tennessee)	35,106	27,006	221	1,057	5,318	1,504	11,395	451	705
Central Region		1,391,789	453,819	8,668	503,355	407,060	18,887	67,353	870	2,712
Cincinnati	(See (d) below)	30,974	22,601	174	4,231	2,645	1,323	5,112	123	453
Cleveland	(See (d) below)	765,525	209,437	2,180	490,866	58,034	5,008	22,307	119	613
Detroit	(Michigan)	410,311	81,224	762	6,068	320,390	1,867	11,705	271	596
Indianapolis	(Indiana)	64,140	41,967	24	1,213	19,850	1,086	14,845	222	583
Louisville	(Kentucky)	112,550	95,142	5,517	699	4,195	6,998	10,895	81	225
Parkersburg	(West Virginia)	8,288	3,448	13	278	1,945	2,605	2,488	54	242
Midwest Region		862,202	597,445	11,383	13,950	213,807	25,618	84,584	1,526	3,532
Aberdeen	(South Dakota)	7,717	6,339	11	24	1,287	56	2,144	52	51
Chicago[9]	(See (b) below)	514,010	318,357	8,036	6,384	172,811	8,420	28,146	191	831
Des Moines	(Iowa)	35,107	24,800	125	4,427	5,011	744	9,172	191	183
Fargo	(North Dakota)	5,686	5,197	54	61	367	8	1,941	66	55
Milwaukee	(Wisconsin)	91,070	70,530	218	551	18,119	1,652	8,936	176	380
Omaha	(Nebraska)	9,727	7,603	266	18	1,066	834	4,421	188	310
St. Louis	(Missouri)	86,330	69,586	1,351	2,273	6,839	6,281	13,783	221	964
St. Paul	(Minnesota)	70,877	57,960	1,315	166	4,604	6,832	8,910	321	652
Springfield	(See (b) below)	41,679	37,074	7	45	3,762	791	7,132	120	66
Southwest Region		1,991,718	1,894,261	49,179	5,628	35,575	7,074	128,114	2,483	9,494
Albuquerque	(New Mexico)	9,219	8,732	1	54	78	355	4,402	138	149
Austin[9]	(See (f) below)	1,029,626	987,612	31,943	1,804	7,448	819	42,304	553	3,910
Cheyenne	(Wyoming)	30,897	30,508	2	17	114	255	3,886	81	88
Dallas	(See (f) below)	328,097	306,884	8,534	1,305	10,351	1,025	30,386	423	1,281
Denver	(Colorado)	45,493	38,558	−34	1,435	3,910	1,625	7,283	150	718
Little Rock	(Arkansas)	90,182	86,103	370	69	2,118	1,522	7,980	226	220
New Orleans	(Louisiana)	21,974	17,187	351	−24	4,178	282	8,063	313	1,269
Oklahoma City	(Oklahoma)	358,321	343,123	7,584	780	5,854	981	14,676	303	1,420
Wichita	(Kansas)	77,908	75,555	428	189	1,524	211	9,136	297	440
Western Region		803,088	578,889	13,967	31,046	164,119	15,068	93,696	2,646	4,890
Anchorage	(Alaska)	645	13	1	4	590	37	666	181	148
Boise	(Idaho)	3,784	3,038	*	133	114	499	3,063	102	175
Helena	(Montana)	2,855	1,852	*	55	314	634	2,531	101	112
Honolulu	(Hawaii)	1,451	1,098	*	231	89	34	307	32	38
Los Angeles	(See (a) below)	370,502	309,293	6,127	27,694	20,588	6,800	22,895	672	1,790
Phoenix	(Arizona)	9,738	2,755	*	220	6,710	54	7,280	277	302
Portland[9]	(Oregon)	44,008	1,960	71	733	39,623	1,621	6,608	197	419
Reno	(Nevada)	2,541	2,473	*	31	16	21	2,519	116	306
Salt Lake City	(Utah)	9,413	4,671	1	101	465	4,177	7,481	67	71
San Francisco[9]	(See (a) below)	256,098	241,190	7,738	1,548	5,174	449	35,458	673	1,192
Seattle	(Washington)	102,053	10,547	30	295	90,438	742	4,888	227	337
Office of International Operations		281	24	—	255	*	1	84	*	*
Puerto Rico		—	—	—	—	—	—	—	—	—
Other		281	24	—	255	*	1	84	*	*
Undistributed:										
Federal tax deposits[9]		—	—	—	—	—	—	—	—	—
Gasoline, lubricating oil, and excess FICA credits[10]		—	—	—	—	—	—	—	—	—
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[11]		—	—	—	—	—	—	—	—	—
Earned Income Credits[12]		—	—	—	—	—	—	—	—	—
Totals for States not shown above										
(a) California		626,600	550,483	13,865	29,242	25,762	7,249	58,352	1,345	2,982
(b) Illinois		555,688	355,431	8,043	6,429	176,574	9,211	35,277	312	896
(c) New York		207,527	125,029	1,069	62,471	11,005	7,954	14,894	316	1,905
(d) Ohio		796,499	232,039	2,353	495,097	60,679	6,331	27,419	242	1,066
(e) Pennsylvania		615,034	443,300	16,422	28,486	110,277	16,548	35,575	261	1,553
(f) Texas		1,357,724	1,294,496	40,477	3,109	17,798	1,844	72,690	976	5,191

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)	Retailers excise taxes—Cont.		Miscellaneous excise taxes				
	Diesel and special motor fuels (39)	Other [11] (40)	Total (41)	Telephone and teletypewriter services (42)	Transportation of persons by air (43)	Use of international air travel facilities (44)	Transportation of property by air (45)
United States, total	481,427	8	3,325,780	1,656,736	1,110,613	70,488	64,011
North-Atlantic Region	23,635	—	512,129	297,508	123,189	18,854	5,770
Albany (See (c) below)	1,295	—	4,276	2,349	319	—	8
Augusta (Maine)	1,751	—	2,116	388	241	—	6
Boston (Massachusetts)	3,583	—	79,633	71,111	1,152	1	45
Brooklyn (See (c) below)	1,398	—	130,021	31	116,789	4,802	5,262
Buffalo (See (c) below)	5,768	—	12,682	7,402	345	—	25
Burlington (Vermont)	662	—	900	179	85	—	51
Hartford [8] (Connecticut)	2,995	—	24,266	18,932	221	10	7
Manhattan (See (c) below)	4,211	—	255,543	196,751	3,975	14,052	342
Portsmouth (New Hampshire)	1,417	—	1,721	365	27	—	1
Providence (Rhode Island)	554	—	971	—	34	—	23
Mid-Atlantic Region	53,322	—	368,887	231,375	79,608	3,406	3,814
Baltimore [8] (Maryland & D.C.)	4,654	—	82,625	33,328	38,498	899	1,566
Newark [8] (New Jersey)	7,093	—	140,301	83,541	40,183	2,496	1,852
Philadelphia (See (e) below)	12,900	—	88,361	72,953	485	5	364
Pittsburgh (See (e) below)	20,861	—	14,274	7,046	213	(*)	16
Richmond (Virginia)	7,197	—	40,892	34,507	149	6	15
Wilmington (Delaware)	617	—	2,434	1	80	—	1
Southeast Region	58,791	8	653,723	262,985	314,987	13,912	9,701
Atlanta (Georgia)	8,801	—	275,354	115,773	148,447	1,601	652
Birmingham (Alabama)	6,879	—	97,908	92,376	31	(*)	6
Columbia (South Carolina)	3,770	—	5,815	2,099	160	—	45
Greensboro (North Carolina)	10,100	—	42,500	19,206	11,880	38	568
Jackson (Mississippi)	3,998	8	3,221	508	56	(*)	117
Jacksonville [8] (Florida)	15,004	—	209,483	27,473	153,313	11,324	3,993
Nashville [8] (Tennessee)	10,239	—	19,443	5,548	1,100	950	4,319
Central Region	63,771	—	245,512	185,579	1,915	57	4,186
Cincinnati [8] (See (d) below)	4,536	—	27,622	20,269	760	—	19
Cleveland (See (d) below)	21,575	—	71,126	58,009	397	(*)	658
Detroit (Michigan)	10,838	—	81,472	58,084	327	33	3,427
Indianapolis (Indiana)	14,041	—	45,280	35,039	212	24	66
Louisville (Kentucky)	10,590	—	8,978	5,106	165	(*)	14
Parkersburg (West Virginia)	2,191	—	11,034	9,073	54	(*)	3
Midwest Region	79,526	—	825,039	333,544	381,415	17,064	22,657
Aberdeen (South Dakota)	2,041	—	1,899	692	5	—	(*)
Chicago [8] (See (b) below)	27,123	—	384,785	76,769	262,149	12,563	10,806
Des Moines (Iowa)	8,798	—	9,958	4,163	276	—	219
Fargo (North Dakota)	1,820	—	2,082	747	31	(*)	7
Milwaukee (Wisconsin)	8,380	—	37,185	27,497	874	1	194
Omaha (Nebraska)	3,883	—	59,402	55,064	75	(*)	8
St. Louis (Missouri)	12,597	—	240,445	154,762	65,975	1,745	8,910
St. Paul (Minnesota)	7,937	—	75,014	3,021	51,642	2,754	2,489
Springfield (See (b) below)	6,946	—	14,268	9,829	389	(*)	24
Southwest Region	116,137	—	255,358	97,138	33,944	2,651	3,422
Albuquerque (New Mexico)	4,115	—	1,599	177	143	—	91
Austin [8] (See (f) below)	37,842	—	48,579	1,191	29,382	661	829
Cheyenne (Wyoming)	3,717	—	1,224	157	53	—	2
Dallas (See (f) below)	28,681	—	76,667	17,241	42,743	1,709	1,733
Denver (Colorado)	6,416	—	90,528	66,415	18,414	138	666
Little Rock (Arkansas)	7,533	—	5,980	2,423	180	—	17
New Orleans (Louisiana)	6,482	—	10,645	2,351	2,671	140	38
Oklahoma City (Oklahoma)	12,953	—	8,784	1,379	81	—	22
Wichita (Kansas)	8,398	—	11,352	5,804	278	3	26
Western Region	86,161	—	459,681	248,584	113,581	11,992	14,461
Anchorage (Alaska)	337	—	10,762	2,994	4,041	135	2,702
Boise (Idaho)	2,786	—	2,299	183	37	—	*
Helena (Montana)	2,319	—	2,212	347	96	26	256
Honolulu (Hawaii)	237	—	12,015	5,615	4,701	106	464
Los Angeles (See (a) below)	20,433	—	169,908	41,775	93,796	7,660	7,492
Phoenix (Arizona)	6,700	—	3,996	92	496	37	707
Portland [8] (Oregon)	5,992	—	8,341	1,658	180	—	532
Reno (Nevada)	2,098	—	9,920	153	462	*	41
Salt Lake City (Utah)	7,343	—	2,240	159	113	*	5
San Francisco [8] (See (a) below)	33,592	—	179,288	149,188	6,057	3,245	2,046
Seattle (Washington)	4,325	—	58,699	46,419	3,599	782	217
Office of International Operations	84	—	5,451	24	1,975	2,541	—
Puerto Rico	—	—	−82	—	*	−84	—
Other	84	—	5,533	24	1,975	2,625	—
Undistributed:							
Federal tax deposits [9]	—	—	—	—	—	—	—
Gasoline, lubricating oil, and excess FICA credits [10]	—	—	—	—	—	—	—
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 [11]	—	—	—	—	—	—	—
Earned Income Credits	—	—	—	—	—	—	—
Totals for States not shown above							
(a) California	54,025	—	349,196	190,964	99,854	10,906	9,538
(b) Illinois	34,069	—	399,053	86,598	262,537	12,563	10,831
(c) New York	12,673	—	402,522	206,533	121,429	18,854	5,637
(d) Ohio	26,111	—	98,749	78,277	1,157	*	677
(e) Pennsylvania	33,761	—	102,635	79,998	697	5	381
(f) Texas	66,523	—	125,246	18,432	72,125	2,370	2,561

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)	Miscellaneous excise taxes—continued							
	Wagering taxes							
	Coin-operated gaming devices (46)	Occupational (47)	Wagers (48)	Use tax on highway motor vehicles (49)	Use tax on civil aircraft (50)	Private foundations net investment income (51)	Other [14] (52)	Unclassified excise tax (53)
United States, total	7,300	1,048	6,637	237,603	22,609	83,950	64,785	196,182
North-Atlantic Region	166	9	108	20,443	2,291	25,347	18,434	221,559
Albany (See (c) below)	*	1	*	1,308	59	162	69	370
Augusta (Maine)	146	—	*	1,151	20	127	35	−617
Boston (Massachusetts)	14	3	25	3,805	104	2,194	1,080	−12,413
Brooklyn (See (c) below)	*	—	1	2,357	17	267	495	27,787
Buffalo (See (c) below)	—	3	28	3,518	88	1,093	181	−20,520
Burlington (Vermont)	—	—	*	459	13	101	12	−174
Hartford [8] (Connecticut)	*	*	36	2,446	97	1,514	1,003	−6,816
Manhattan (See (c) below)	*	1	17	4,043	1,857	19,499	15,005	238,481
Portsmouth (New Hampshire)	6	1	*	731	24	208	359	−2,922
Providence (Rhode Island)	—	1	*	525	12	183	193	−1,618
Mid-Atlantic Region	477	11	5	29,257	1,129	9,840	9,963	−58,176
Baltimore [8] (Maryland & D.C.)	389	1	−55	3,550	442	705	3,302	−16,584
Newark [8] (New Jersey)	9	*	5	6,327	175	2,024	3,690	−52,771
Philadelphia (See (e) below)	6	1	6	7,990	169	4,389	1,995	6,391
Pittsburgh (See (e) below)	40	4	8	5,064	144	1,414	326	−11,073
Richmond (Virginia)	33	4	41	5,157	147	415	417	−33,169
Wilmington (Delaware)	—	1	1	1,169	52	895	233	49,028
Southeast Region	1,707	148	480	35,798	4,730	6,069	3,206	−131,677
Atlanta (Georgia)	4	8	58	4,792	1,748	1,090	1,180	−1,959
Birmingham (Alabama)	1	7	39	4,882	111	250	205	−8,319
Columbia (South Carolina)	196	4	31	2,210	66	756	248	−1,622
Greensboro (North Carolina)	4	35	64	7,979	311	2,100	315	−83,599
Jackson (Mississippi)	115	30	39	2,157	81	58	59	994
Jacksonville [8] (Florida)	2	1	99	9,296	2,234	1,138	610	−33,649
Nashville [8] (Tennessee)	1,385	63	149	4,482	179	678	590	−3,523
Central Region	279	131	367	35,155	1,078	9,575	7,189	26,144
Cincinnati [8] (See (d) below)	39	6	24	4,698	150	1,088	568	−22,243
Cleveland (See (d) below)	30	30	56	8,688	210	2,016	1,034	285,944
Detroit (Michigan)	1	6	19	9,738	431	4,374	5,032	−137,304
Indianapolis (Indiana)	42	49	116	7,641	172	1,611	307	−17,840
Louisville (Kentucky)	11	9	24	3,020	68	250	211	−81,844
Parkersburg (West Virginia)	156	31	127	1,370	46	136	38	−569
Midwest Region	146	116	179	42,148	7,021	11,659	9,089	7,197
Aberdeen (South Dakota)	45	2	4	1,081	28	10	34	−670
Chicago [8] (See (b) below)	18	6	29	9,017	3,726	3,701	6,002	−56,304
Des Moines (Iowa)	*	4	12	4,812	127	284	61	−399
Fargo (North Dakota)	1	1	*	1,167	41	14	74	37
Milwaukee (Wisconsin)	1	*	*	6,482	200	1,123	814	14,373
Omaha (Nebraska)	21	94	102	2,636	102	194	106	6,673
St. Louis (Missouri)	33	5	8	5,931	1,499	982	593	108,029
St. Paul (Minnesota)	1	4	21	7,466	1,188	5,203	1,225	−19,007
Springfield (See (b) below)	26	2	3	3,558	111	148	179	−16,789
Southwest Region	176	73	313	37,854	2,677	9,069	8,041	40,929
Albuquerque (New Mexico)	15	1	1	1,026	74	27	46	−1,712
Austin [8] (See (f) below)	1	13	34	8,123	601	4,211	3,533	−74,104
Cheyenne (Wyoming)	19	*	—	847	55	75	16	−302
Dallas (See (f) below)	2	13	85	9,133	914	1,858	1,238	108,379
Denver (Colorado)	30	*	*	3,639	312	525	388	−10,064
Little Rock (Arkansas)	3	18	56	3,028	94	69	93	−39,239
New Orleans (Louisiana)	11	17	122	3,233	198	328	1,537	−7,136
Oklahoma City (Oklahoma)	77	11	15	4,234	272	1,751	943	69,714
Wichita (Kansas)	19	1	—	4,591	157	227	247	−4,608
Western Region	4,348	560	5,184	36,447	3,674	12,342	8,509	67,949
Anchorage (Alaska)	*	13	12	500	295	6	64	−912
Boise (Idaho)	17	—	1	1,835	64	33	129	698
Helena (Montana)	94	15	3	1,240	81	30	24	−624
Honolulu (Hawaii)	69	*	33	557	95	274	100	−1,107
Los Angeles (See (a) below)	26	*	2	8,769	1,726	4,014	4,646	112,644
Phoenix (Arizona)	41	*	*	2,215	204	93	111	−6,632
Portland [8] (Oregon)	326	1	1	5,109	152	245	138	−6,244
Reno (Nevada)	3,502	118	4,702	555	137	228	22	−891
Salt Lake City (Utah)	129	30	6	1,683	55	97	61	37
San Francisco [8] (See (a) below)	25	4	2	9,914	574	6,133	2,100	−6,629
Seattle (Washington)	119	379	421	4,171	289	1,190	1,114	−22,493
Office of International Operations	—	—	—	501	10	47	353	8,126
Puerto Rico	—	—	—	—	1	1	*	73
Other	—	—	—	501	9	47	353	8,053
Undistributed:								
Federal tax deposits [9]	—	—	—	—	—	—	—	14,149
Gasoline, lubricating oil, and excess FICA credits [10]	—	—	—	—	—	—	—	—
Transferred to Government of Guam	—	—	—	—	—	—	—	—
Withheld taxes of Federal employees	—	—	—	—	—	—	—	—
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy	—	—	—	—	—	—	—	−17
Presidential Election Fund [11]	—	—	—	—	—	—	—	—
Earned Income Credits [12]	—	—	—	—	—	—	—	—
Totals for States not shown above								
(a) California	51	4	4	18,683	2,300	10,147	6,746	106,115
(b) Illinois	44	8	32	12,574	3,837	3,849	6,181	−73,093
(c) New York	*	4	47	11,226	2,021	21,020	15,750	246,119
(d) Ohio	69	36	80	13,386	361	3,104	1,602	263,700
(e) Pennsylvania	47	5	13	13,053	312	5,803	2,321	−4,682
(f) Texas	3	25	119	17,256	1,515	6,069	4,771	34,275

Table 2.—Internal revenue collections by sources and by quarters

(In thousands of dollars)

Source of revenue	Total	Quarter ended December 31 1977	March 31 1978	June 30 1978	September 30 1978
Grand total	399,776,389	78,441,191	93,329,599	130,244,347	97,761,252
Corporation income tax [2]	65,380,145	13,094,104	12,476,645	26,019,140	13,790,257
Individual income and employment taxes, total	310,349,797	56,347,531	75,272,791	98,126,323	77,603,152
Income tax not withheld and SECA [3 4 5]	52,071,370	1,917,714	11,442,627	30,032,651	8,678,377
Income tax withheld and FICA [3 4 6]	253,617,181	56,607,794	62,918,493	66,783,968	67,306,926
Railroad retirement	2,019,231	519,241	475,877	507,704	516,409
Unemployment insurance [7]	2,642,014	302,782	435,794	801,999	1,101,440
Estate tax	5,242,080	1,328,867	1,320,447	1,234,006	1,358,760
Gift tax	139,419	29,846	44,410	33,164	31,999
Excise taxes, total	18,664,949	4,640,843	4,215,307	4,831,714	4,977,085
Alcohol taxes, total [10]	5,612,715	1,235,752	1,467,107	1,352,729	1,557,127
Distilled spirits [11]	3,999,566	907,784	1,094,967	954,193	1,042,622
Wines, cordials, etc.[12]	189,535	43,963	55,504	42,382	47,686
Beer [13]	1,423,614	284,006	316,636	356,154	466,819
Tobacco taxes, total [14]	2,450,913	412,826	685,154	618,253	466,680
Cigarettes [15]	2,408,425	402,703	675,410	607,530	722,783
Cigars [16]	38,050	9,170	8,621	9,540	10,719
Other [17]	4,438	954	1,123	1,184	1,177
Manufacturers excise taxes, total	6,555,681	1,627,810	1,594,885	1,528,322	1,804,664
Gasoline	4,444,484	1,140,710	1,114,386	1,027,747	1,161,641
Lubricating oil, etc.	105,227	27,746	25,442	24,526	27,514
Tires (wholly or in part of rubber), inner tubes, and tread rubber	846,313	208,256	197,379	201,638	239,040
Motor vehicles, chassis, bodies, parts and accessories	998,779	226,804	237,883	244,902	289,190
Other [18]	160,878	24,295	19,795	29,509	87,279
Retailers excise taxes, total	523,677	129,302	125,857	128,317	140,201
Noncommercial aviation gasoline	10,954	3,388	2,397	1,829	3,340
Noncommercial aviation fuel other than gasoline	31,289	8,037	7,776	6,787	8,689
Diesel and special motor fuels	481,427	117,878	115,675	119,702	128,173
Other [19]	8	—	8	—	—
Miscellaneous excise taxes, total	3,325,780	758,888	846,869	751,032	968,991
Telephone and teletypewriter exchange services	1,656,736	425,063	464,520	377,320	389,832
Transportation of persons by air	1,110,613	264,782	275,720	263,876	306,236
Use of international air travel facilities	70,488	18,118	15,724	18,159	18,487
Transportation of property by air	64,011	15,074	15,870	15,859	17,209
Coin-operated gaming devices	7,300	272	202	688	6,138
Wagering taxes:					
Occupational	1,048	61	101	197	690
Wagers	6,637	1,437	2,248	1,465	1,487
Use tax on highway motor vehicles	237,603	16,393	43,716	31,728	145,766
Use tax on civil aircraft	22,609	545	4,201	4,648	13,214
Exempt organizations, total	92,419	5,000	11,881	20,677	54,861
Other [20]	56,316	12,143	12,686	16,416	15,072
Unclassified excise taxes	196,182	476,264	−504,565	453,061	−228,578

Table 3.--Internal revenue collections by sources, fiscal year 1977 and 1978

(In thousands of dollars)

Sources of revenue	1977	1978
Grand total, all sources	358,139,417	399,776,389
Corporation income taxes, total [2]	60,049,804	65,380,145
Regular	60,015,704	65,344,150
Exempt organization business income tax	34,100	35,996
Individual income and employment taxes, total	272,831,580	310,349,797
Income tax not withheld and SECA [3 4 5 8]	46,083,249	52,071,370
Income tax withheld and FICA [3 4 6 9]	222,929,226	253,617,181
Railroad retirement, total [13]	1,908,803	2,019,231
Unemployment insurance [14]	1,910,302	2,642,014
Estate tax [15]	5,649,460	5,242,080
Gift tax [16]	1,775,866	139,419
Excise taxes, total	17,832,707	18,664,949
Alcohol taxes, total	5,406,633	5,612,715
Distilled spirits taxes, total	3,827,460	3,999,566
Imported (collected by Customs, rates same as domestic)	689,815	702,336
Domestic, $10.50 per proof gallon or wine gallon when below proof [17]	3,103,140	3,259,100
Rectification, 30 cents per proof gallon [18]	18,326	21,467
Occupational taxes:		
Nonbeverage manufacturers of spirits, $25, $50, $100, per year	93	106
Rectifiers:		
Less than 20,000 proof gallons, $110 per year	4	5
20,000 proof gallons or more, $220 per year	19	21
Retail dealer (distilled spirits, wines, and beer), $54 per year	14,713	15,355
Wholesale dealer (distilled spirits, wines, and beer), $255 per year	1,071	1,071
Manufacturers of stills, $55 per year	5	4
Seizures, penalties, etc.	272	99
Stills or condensers manufactured, $22 each	2	1
Wines, cordials, etc., taxes, total	180,676	189,535
Imported (collected by Customs, rates same as domestic)	27,335	33,676
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) [12]	152,573	155,818
Occupational taxes:		
Retail dealers in wines or in wines and beer, $54 per year	727	40
Wholesale dealers in wines or in wines and beer, $225 per year	41	(*)
Beer taxes, total	1,398,497	1,423,614
Imported (collected by Customs, rates same as domestic)	22,811	26,603
Domestic, $9 per barrel of 31 gallons [13]	1,372,753	1,391,137
Occupational taxes:		
Brewers:		
Less than 500 barrels, $55 per year	1	1
500 barrels or more, $110 per year	12	13
Retail dealers in beer, $24 per year (includes limited retail dealer in distilled spirits, wine and beer, $2.20 and $4.50 per month)	2,280	2,237
Wholesale dealers in beer, $123 per year	640	624
Tobacco taxes, total	2,398,501	2,450,913
Cigarettes, total [19]	2,357,519	2,408,425
Small (Class A), $4 per thousand	2,357,500	2,408,415
Large (Class B), $8.40 per thousand, except if over 6½ inches long $4 per thousand for each 2½ inches or fraction thereof	19	10
Prepayments	—	*
Cigars, total [20]	37,128	38,050
Large cigars, total	35,581	36,794
Class A (Retailing at not over 2½ cents each), $2.50 per thousand	132	6
Class B (Over 2½ cents, not over 4 cents each), $3 per thousand	331	—
Class C (Over 4 cents, not over 6 cents each), $4 per thousand	1,528	—
Class D (Over 6 cents, not over 8 cents each), $7 per thousand	3,960	1
Class E (Over 8 cents, not over 15 cents each), $10 per thousand	5,904	*
Class F (Over 15 cents, not over 20 cents each), $15 per thousand	4,248	*
Class G (Over 20 cents each), $20 per thousand	1,938	4
Wholesale price not more than $235.294 per thousand, 8½ percent	16,692	33,669
Wholesale price more than $235.294 per thousand, $20 per thousand	949	3,113
Small cigars, 75 cents per thousand	1,423	1,225
Prepayments	24	30
Imported cigars, cigarettes, cigarette papers and cigarette tubes (collected by Customs, rates same as domestic)	2,460	3,147
Miscellaneous tobacco	1	*
Cigarette papers and tubes, paper one-half cent per 50, tubes 1 cent per 50	1,393	1,291

Table 3.—Internal revenue collections by sources, fiscal year 1977 and 1978—Continued

(In thousands of dollars)

Sources of revenue	1977	1978
Excise taxes—Continued		
Manufacturers excise taxes, total	6,068,682	6,555,681
Gasoline, 4 cents per gallon	4,322,077	4,444,484
Lubricating oil, etc., 6 cents per gallon	100,929	105,227
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	737,667	788,707
Inner tubes, 10 cents per pound	30,722	33,251
Tread rubber, 5 cents per pound	24,569	24,354
Motor vehicles, chassis, bodies, parts, and accessories:		
Passenger automobiles, chassis, bodies, etc., 7 percent[22]	−2,637	77
Trucks, and buses, chassis, bodies, etc., 10 percent[22]	598,084	817,228
Parts and accessories for trucks and buses, 8 percent	159,287	181,474
Pistols and revolvers, 10 percent	13,352	15,223
Fishing rods, creels, etc., 10 percent	25,416	28,351
Bows and arrows, 11 percent	4,376	6,794
Firearms (other than pistols and revolvers), 11 percent	32,554	34,499
Shells and cartridges, 11 percent	22,286	23,543
Black Lung[23]		52,464
Other[23]	2	4
Retailers excise taxes, total	480,602	523,677
Noncommercial aviation gasoline, 3 cents per gallon	10,390	10,954
Noncommercial aviation fuel other than gasoline, 7 cents per gallon	30,014	31,289
Diesel and special motor fuels, 4 cents per gallon (in some instances 2 cents per gallon)	440,190	481,427
Other[23]	8	8
Miscellaneous excise taxes, total	3,165,171	3,325,780
Telephone and teletypewriter exchange services[24]	1,708,778	1,656,736
Transportation of persons by air, 8 percent (which increased from 5 percent effective July 1, 1970)	957,251	1,110,613
Transportation of property by air, 5 percent	55,147	64,011
Use of international air-travel facilities, $3 per person	58,296	70,488
Coin-operated gaming devices, $250 per device per year	6,563	7,300
Wagering taxes:		
Occupational tax, $500 per year	776	1,048
Wagers, 2 percent of amount waged	6,632	6,637
Use tax on highway vehicles weighing over 26,000 pounds, $3 per 1,000 pounds per year (installment privileges permitted)	226,209	237,603
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	22,788	22,609
Firearms transfer and occupational taxes[23]	589	704
Foreign insurance	38,917	51,909
Exempt organizations, total	80,631	92,419
Net investment income, 4 percent	78,592	83,950
Self dealing, 5 percent on self-dealer, lesser of $10,000 or 2½ percent on foundation manager	212	6,110
Excess business holdings, 5 percent on foundation	3	*
Taxable expenditures, 10 percent on foundation, lesser of $5,000 or 2½ percent on foundation manager	103	79
Failure to timely file certain information returns, $10 per day up to a maximum of $5,000	912	1,014
Failure to distribute income, 15 percent of undistributed income	809	1,265
Investments which jeopardize charitable purpose, 5 percent on foundation, lesser of $5,000 or 5 percent on foundation manager	*	2
Employee pension plans, total	2,067	2,990
Excess contributions to an IRA, 6 percent of excess amount	1,732	2,409
Tax on underdistributions from an IRA, 50 percent of underdistribution	16	46
Prohibited transactions, 5 percent of prohibited transaction	216	298
Tax on excess contributions to an HR-10 Plan, 6 percent of excess amount	1	18
Failure to meet funding standards, 5 percent of funding deficiency	25	157
Tax on excess contributions to custodial account, 6 percent of excess amount	74	61
Failure to file statement required by section 6047 or 6058, $10 per day up to $5,000	2	1
Other[24]	528	713
Unclassified excise taxes	313,118	196,182

Table 4.—Internal revenue collections by principal sources, fiscal years 1940 through 1978 (In thousands of dollars)

Fiscal year	Total internal revenue collections	Income and profits taxes: Total	Income and profits taxes: Corporation income and profits taxes[2,15]	Income and profits taxes: Individual income taxes[3,3,16,17]	Employment taxes[3]	Estate and gift taxes[20]	Alcohol taxes[13]	Tobacco taxes[13]	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	13,047,869	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	1,618,775	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	41,864,542	31,172,191	10,174,410	20,997,781	2,381,342	899,345	2,255,327	1,300,280	1,649,234	2,206,823
1949	40,463,125	29,605,491	11,553,669	18,051,822	2,476,113	796,538	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	37,384,879	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	4,718,403	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	66,288,692	49,914,826	18,264,720	31,650,106	6,219,665	936,267	2,742,840	1,571,213	2,885,016	2,018,866
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	12,507,451	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	2,187,457	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	17,104,306	2,745,532	3,772,634	2,148,594	6,418,145	2,453,406
1966	128,879,061	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	5,478,347	2,479,809
1968	153,636,838	108,148,565	29,896,520	78,252,045	28,085,898	3,081,979	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	191,647,198	131,072,374	30,319,953	100,752,421	39,918,690	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	45,746,660	156,399,437	70,140,809	4,688,079	5,350,858	2,315,090	5,516,611	3,665,182
1976	302,519,792	205,751,753	46,782,956	158,968,797	74,202,853	5,307,466	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	358,139,417	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
1978	399,776,389	278,438,289	65,380,145	213,058,144	97,291,653	5,381,499	5,612,715	2,450,913	6,555,681	4,045,639

Footnotes for Tables 1–4

*Less than $500.

r 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-employment 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 (Gross Internal Revenue Collections) page 9 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 $1.3 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 $15.2 million for 1978.

7. Includes net adjustment of $216,292,000 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. 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.

10. 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).

11. 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 effect on district and regional collection data.

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

13. 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 collection results (Tables 1 through 4).

14. Refer to Table 3 for components.

15. 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 acheive 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) and through 1978 by the Tax Reduction and Simplification Act of 1977 (P.L. 95-30).

16. Individual income tax rates: 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 $16,500 for 1977 and of 8.1 percent on earnings up to $17,700 for 1978.

17. 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 35 percent effective January 16, 1972, under Public Law 92-178; 16 to 35 percent, effective April 30, 1975, under Public Law 94-12 and 94-164; 15 to 35 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 $16,500 for calendar year 1977 and 12.1 percent on wages up to $17,700 for 1978.

18. Consists of regular railroad retirement combined tax rate of 21.2 percent for calendar year 1977 and 21.6 percent for 1978. Tax applies to employers (15.35% for 1977 and 15.55 percent for 1978) employees (5.85% for 1977 and 6.05% for 1978) and is imposed on taxable portion of wages (limited to first 1,375 of monthly taxable compensation for 1977 and $1,475 for 1978). Further includes railroad employee representatives tax of 21.2 percent for calendar year 1977 and 21.6 percent for 1978 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.

19. Employers of one or more persons in each of 20 calendar weeks or who paid wages of $1,500 or more in any calendar quarter taxed 3.4 percent on taxable portion of wages up to $4,200 for calendar year 1977 and to $6,000 for 1978. This tax is reduced by credits for unemployment contributions paid to States up to 2.7 percent of FUTA tax.

20. 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 and $34,000 for 1978).

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

22. Includes 50¢ and 2% per ton taxes on underground mined coal and 25¢ and 2% taxes on surface mined coal.

23. Includes delinquent taxes on items repealed by Public Laws 87-456, 88-36, and 89-44. Also includes sugar and interest equalization taxes which have expired.

24. Rate was reduced from 7 percent to 6 percent on January 1, 1976, to 5 percent on January 1, 1977 and to 4 percent January 1, 1978 (Public Law 91-614).

25. 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.

Table 5.—Amount of Internal Revenue refunds including interest (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)	Individual income and employment taxes: Total[1] (1)	Corporation income (2)	Excessive prepayment (3)	Other (4)	Estate (5)	Gift (6)	Excise[2] (7)
United States, Total	39,644,322	5,626,253	31,869,036	1,750,829	98,193	8,070	291,941
North-Atlantic Region	5,339,261	924,596	4,259,159	117,126	22,372	765	15,244
Albany (See (c) below)	278,324	15,699	256,946	4,784	756	24	116
Augusta (Maine)	151,340	13,896	132,811	4,020	517	26	71
Boston (Massachusetts)	964,841	133,939	807,071	20,116	2,893	71	751
Brooklyn (See (c) below)	1,062,437	73,173	960,996	18,009	2,905	140	7,213
Buffalo (See (c) below)	743,580	79,138	649,112	11,899	1,802	94	1,535
Burlington (Vermont)	61,483	5,038	54,326	1,883	215	6	15
Hartford (Connecticut)	630,360	103,764	508,978	12,804	2,588	44	2,183
Manhattan (See (c) below)	1,145,806	453,545	641,703	37,014	10,087	289	3,168
Portsmouth (New Hampshire)	139,034	17,352	117,940	3,389	286	8	59
Providence (Rhode Island)	162,056	29,052	129,276	3,208	324	63	133
Mid-Atlantic Region	5,666,702	1,010,099	4,472,173	132,430	10,534	655	40,811
Baltimore (Maryland & D.C.)	979,250	84,483	861,989	25,086	2,126	122	5,443
Newark (New Jersey)	1,361,521	160,301	1,146,914	32,302	4,469	139	17,396
Philadelphia (See (e) below)	1,417,039	363,243	1,008,567	30,069	1,783	186	13,191
Pittsburgh (See (e) below)	976,274	283,826	675,082	15,004	1,039	97	1,227
Richmond (Virginia)	795,791	65,910	704,030	21,953	1,007	90	2,792
Wilmington (Delaware)	136,827	52,336	75,591	8,006	110	21	762
Southeast Region	4,519,491	485,465	3,848,288	150,832	10,693	780	23,430
Atlanta (Georgia)	771,940	82,465	653,529	23,801	1,427	60	10,658
Birmingham (Alabama)	498,059	50,818	431,830	14,666	484	75	186
Columbia (South Carolina)	351,189	26,520	314,347	9,103	904	49	266
Greensboro (North Carolina)	671,252	65,064	582,685	19,444	838	79	3,141
Jackson (Mississippi)	253,054	15,934	223,778	12,722	346	80	193
Jacksonville (Florida)	1,309,608	170,353	1,082,018	49,806	5,846	386	1,199
Nashville (Tennessee)	664,389	74,312	560,101	21,290	848	51	7,787
Central Region	5,518,497	633,781	4,704,577	150,402	8,568	739	20,409
Cincinnati (See (d) below)	800,602	101,293	678,075	16,908	1,301	94	2,931
Cleveland (See (d) below)	1,234,619	196,635	993,522	41,625	1,505	310	1,022
Detroit (Michigan)	1,783,523	177,627	1,559,332	36,180	2,679	183	7,522
Indianapolis (Indiana)	900,150	74,521	792,237	27,196	1,558	85	4,553
Louisville (Kentucky)	501,477	49,563	426,485	20,023	1,247	47	4,112
Parkersburg (West Virginia)	298,126	34,141	254,926	8,470	299	20	269
Midwest Region	5,451,640	923,975	4,268,298	214,366	11,821	1,712	31,465
Aberdeen (South Dakota)	86,000	8,335	68,985	8,421	145	15	99
Chicago (See (b) below)	1,846,002	363,970	1,414,638	57,544	3,391	358	6,100
Des Moines (Iowa)	433,431	67,813	339,000	24,533	1,106	135	844
Fargo (North Dakota)	91,891	11,146	71,824	8,547	218	33	123
Milwaukee (Wisconsin)	738,791	109,824	606,757	19,230	1,512	107	1,360
Omaha (Nebraska)	246,803	41,696	184,888	18,914	765	138	401
St. Louis (Missouri)	823,753	151,581	614,471	35,301	1,766	644	19,989
St. Paul (Minnesota)	658,271	86,201	547,185	22,163	1,676	84	963
Springfield (See (b) below)	526,698	83,409	420,550	19,713	1,242	198	1,566
Southwest Region	4,605,579	622,586	3,760,004	197,471	13,606	1,915	9,999
Albuquerque (New Mexico)	170,605	12,014	152,135	5,834	458	55	109
Austin (See (f) below)	1,284,804	172,091	1,061,191	46,687	2,641	917	1,277
Cheyenne (Wyoming)	78,863	5,597	68,230	4,587	137	117	195
Dallas (See (f) below)	882,833	137,264	692,143	45,770	3,583	338	3,735
Denver (Colorado)	490,624	57,385	409,109	20,444	3,024	143	519
Little Rock (Arkansas)	260,651	24,602	223,227	12,093	528	32	170
New Orleans (Louisiana)	624,921	85,390	516,734	20,786	1,075	43	894
Oklahoma City (Oklahoma)	444,492	70,754	350,841	20,501	897	157	1,343
Wichita (Kansas)	367,786	57,490	286,394	20,769	1,264	113	1,756
Western Region	7,611,434	946,433	6,387,261	242,424	19,540	1,475	14,296
Anchorage (Alaska)	161,437	11,452	144,882	4,817	108	*	177
Boise (Idaho)	159,243	37,165	110,801	10,108	994	13	161
Helena (Montana)	125,289	15,537	100,445	8,682	284	25	314
Honolulu (Hawaii)	178,515	30,360	142,817	4,517	439	262	120
Los Angeles (See (a) below)	3,722,109	444,568	2,581,998	80,714	7,756	508	6,564
Phoenix (Arizona)	385,891	25,861	345,725	12,908	780	169	448
Portland (Oregon)	455,247	44,885	391,344	17,899	734	17	368
Reno (Nevada)	142,052	8,298	126,907	5,746	993	38	70
Salt Lake City (Utah)	217,059	23,711	186,647	6,325	213	14	149
San Francisco (See (a) below)	1,957,285	217,587	1,667,435	61,554	5,539	351	4,819
Seattle (Washington)	707,307	87,009	588,260	29,154	1,700	78	1,106
Office of International Operations	205,968	25,925	149,542	28,042	1,039	25	1,394
Puerto Rico	31,911	101	27,670	2,894	4	*	1,242
Other	174,057	25,824	121,872	25,148	1,035	25	152
Gasoline, lubricating oil and excess FICA credits[3]	651,198	—	—	517,738	—	—	133,460
Bureau of Customs	1,433	—	—	—	—	—	1,433
Earned Income Credits Offsets	7,184	—	7,184	—	—	—	—
Refunds reversals unclassified[4]	65,938	53,393	12,545	—	—	—	—
Totals for States not shown above							
(a) California	5,079,394	662,155	4,249,433	142,268	13,295	859	11,383
(b) Illinois	2,372,700	447,379	1,835,188	77,257	4,633	556	7,686
(c) New York	3,230,147	621,555	2,508,757	71,706	15,550	547	12,032
(d) Ohio	2,035,221	297,928	1,671,597	58,533	2,806	404	3,953
(e) Pennsylvania	2,393,313	647,069	1,683,649	45,073	2,822	283	14,418
(f) Texas	2,167,637	309,355	1,753,334	92,457	6,224	1,255	5,012

[1] Figures include credits for the Federal Old Age and Survivors, Federal Disability, and Federal Hospital Funds amounting to $517,725,000.
[2] Includes credits for gasoline and lubricating oil tax payments.
[3] Credits for excess payments under the Federal Insurance Contributions ACT(FICA) were $517,725,000.
[4] District office details were not available for refund reversals pending classification when FY 1978 books were closed.
* Less than $500.

Table 6.—Number of Internal Revenue refunds issued

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		**69,049,646**	**479,686**	**65,688,224**	**2,802,097**	**22,782**	**4,749**	**52,108**
North-Atlantic Region		**9,425,824**	**74,686**	**9,014,551**	**325,982**	**4,169**	**593**	**5,843**
Albany	(See (c) below)	600,280	3,758	577,443	18,425	221	41	392
Augusta	(Maine)	346,350	2,866	330,681	12,324	116	26	337
Boston	(Massachusetts)	1,877,638	15,751	1,800,761	59,366	708	90	962
Brooklyn	(See (c) below)	1,997,991	9,026	1,926,678	60,283	895	93	1,016
Buffalo	(See (c) below)	1,441,159	9,998	1,386,227	43,224	653	64	993
Burlington	(Vermont)	150,450	1,263	141,380	7,634	49	8	116
Hartford	(Connecticut)	1,115,131	11,846	1,063,416	38,326	520	93	930
Manhattan	(See (c) below)	1,288,847	14,558	1,207,196	65,330	847	159	757
Portsmouth	(New Hampshire)	292,349	2,578	277,743	11,740	93	12	183
Providence	(Rhode Island)	315,629	3,042	303,026	9,330	67	7	157
Mid-Atlantic Region		**9,613,747**	**58,872**	**9,207,689**	**337,189**	**2,754**	**481**	**6,762**
Baltimore	(Maryland & D.C.)	1,728,916	10,592	1,659,541	57,195	520	129	939
Newark	(New Jersey)	2,405,816	16,907	2,299,000	87,232	991	109	1,577
Philadelphia	(See (e) below)	2,282,799	12,631	2,192,426	75,747	570	89	1,336
Pittsburgh	(See (e) below)	1,418,352	6,192	1,370,347	40,687	287	46	793
Richmond	(Virginia)	1,588,388	9,627	1,521,158	56,197	326	85	995
Wilmington	(Delaware)	189,476	2,923	165,217	20,131	60	23	1,122
Southeast Region		**9,744,881**	**61,724**	**9,209,437**	**337,138**	**2,615**	**672**	**7,295**
Atlanta	(Georgia)	1,558,811	9,530	1,490,731	57,024	260	89	1,177
Birmingham	(Alabama)	1,042,781	5,396	1,000,409	36,065	166	69	676
Columbia	(South Carolina)	849,517	4,621	816,587	27,460	184	48	617
Greensboro	(North Carolina)	1,638,653	12,196	1,565,986	58,941	333	80	1,117
Jackson	(Mississippi)	612,585	3,068	585,928	22,831	102	37	619
Jacksonville	(Florida)	2,649,983	19,623	2,506,278	120,347	1,285	286	2,164
Nashville	(Tennessee)	1,392,551	7,290	1,333,518	50,470	285	63	925
Central Region		**9,560,282**	**56,908**	**9,170,375**	**324,018**	**2,112**	**424**	**6,445**
Cincinnati	(See (d) below)	1,466,280	9,315	1,407,672	48,040	294	74	885
Cleveland	(See (d) below)	2,011,161	14,010	1,932,159	63,369	451	87	1,085
Detroit	(Michigan)	2,929,732	18,084	2,814,988	94,050	559	100	1,951
Indianapolis	(Indiana)	1,661,416	7,063	1,589,577	62,870	424	94	1,388
Louisville	(Kentucky)	959,761	5,091	914,841	38,668	289	38	834
Parkersburg	(West Virginia)	531,932	3,345	511,138	17,021	95	31	302
Midwest Region		**9,446,141**	**79,232**	**8,918,103**	**435,574**	**3,726**	**837**	**8,669**
Aberdeen	(South Dakota)	192,812	1,958	173,493	16,911	28	26	346
Chicago	(See (b) below)	2,809,876	19,770	2,691,771	95,592	997	157	1,589
Des Moines	(Iowa)	814,958	8,445	750,486	54,473	431	89	1,034
Fargo	(North Dakota)	180,969	1,677	161,675	17,035	99	47	436
Milwaukee	(Wisconsin)	1,417,978	13,057	1,345,649	57,312	517	99	1,344
Omaha	(Nebraska)	460,140	5,276	420,020	33,917	265	90	572
St. Louis	(Missouri)	1,433,144	12,754	1,357,445	61,070	453	120	1,302
St. Paul	(Minnesota)	1,237,948	10,246	1,168,988	56,909	456	101	1,248
Springfield	(See (b) below)	898,316	6,049	848,576	42,355	430	108	798
Southwest Region		**8,644,750**	**58,096**	**8,174,442**	**400,525**	**2,572**	**816**	**8,299**
Albuquerque	(New Mexico)	369,156	2,748	351,438	15,079	110	33	248
Austin	(See (f) below)	2,405,502	12,632	2,294,573	95,596	587	195	1,919
Cheyenne	(Wyoming)	138,644	1,572	128,539	8,258	55	24	196
Dallas	(See (f) below)	1,638,622	10,817	1,542,059	83,180	508	159	1,899
Denver	(Colorado)	885,961	7,222	835,758	41,746	273	91	871
Little Rock	(Arkansas)	578,160	4,197	545,000	28,172	135	45	611
New Orleans	(Louisiana)	1,136,554	7,041	1,082,679	45,594	263	57	920
Oklahoma City	(Oklahoma)	811,341	5,560	763,302	41,179	308	106	886
Wichita	(Kansas)	680,810	6,807	631,094	41,721	333	106	749
Western Region		**12,323,352**	**83,987**	**11,649,059**	**576,086**	**4,612**	**906**	**8,702**
Anchorage	(Alaska)	148,246	1,298	139,219	7,421	34	2	272
Boise	(Idaho)	257,978	2,464	238,421	16,675	77	20	321
Helena	(Montana)	235,850	3,089	215,560	16,606	96	35	464
Honolulu	(Hawaii)	302,580	3,025	288,915	10,415	74	31	120
Los Angeles	(See (a) below)	4,748,710	29,107	4,503,639	211,186	1,862	313	2,603
Phoenix	(Arizona)	720,116	4,615	686,875	27,919	239	52	416
Portland	(Oregon)	882,895	7,029	834,566	40,308	227	63	702
Reno	(Nevada)	251,431	1,701	239,355	10,001	60	34	280
Salt Lake City	(Utah)	393,867	2,377	374,521	16,602	69	31	273
San Francisco	(See (a) below)	3,157,039	19,598	2,981,134	152,469	1,544	257	2,037
Seattle	(Washington)	1,224,640	9,690	1,146,854	66,484	330	68	1,214
Office of International Operations		**186,178**	**699**	**155,559**	**29,585**	**222**	**20**	**93**
Puerto Rico		40,813	9	28,348	12,423	5	1	27
Other		145,365	690	127,211	17,162	217	19	66
Refunds reversals unclassified [1]		**104,491**	**5,482**	**99,009**	—	—	—	—
Totals for states not shown above								
	(a) California	7,905,749	48,705	7,484,773	363,655	3,406	570	4,640
	(b) Illinois	3,708,192	25,819	3,540,347	137,947	1,427	265	2,387
	(c) New York	5,328,277	37,340	5,097,544	187,262	2,616	357	3,158
	(d) Ohio	3,477,441	23,325	3,339,831	111,409	745	161	1,970
	(e) Pennsylvania	3,701,151	18,823	3,562,773	116,434	857	135	2,129
	(f) Texas	4,044,124	23,449	3,836,632	178,776	1,095	354	3,818

[1] District office details were not available for refund reversals pending classification when FY 1978 books were closed.

Table 7.—Internal Revenue refunds, including interest, 1977 and 1978

	Number 1977 [1]	Number 1978	Amount refunded (principal and interest—thousand dollars) 1977 [1]	Amount refunded 1978	Amount of interest included (thousand dollars) 1977 [1]	Amount of interest included 1978
Total refunds of internal revenue [1]	**67,726,918**	**69,049,646**	**36,493,895**	**39,644,322**	**318,935**	**318,153**
Corporation income taxes	463,177	479,686	5,423,034	5,626,253	208,494	197,973
Individual income and employment taxes, total	67,180,533	68,490,321	30,671,723	33,619,865	97,436	108,390
Excessive prepayment income tax	64,531,086	65,688,224	29,255,379	31,869,036	51,000	56,460
Other income tax and Federal Insurance Contributions Act taxes	2,428,402	2,581,364	1,379,342	1,706,445	45,484	50,760
Railroad retirement	268	607	199	876	9	120
Unemployment insurance	220,797	220,126	36,803	43,509	944	1,050
Estate tax	29,224	22,782	102,955	98,193	9,747	9,551
Gift tax	5,633	4,749	6,254	8,070	726	616
Excise taxes, total	48,351	52,108	289,929	291,941	2,532	1,623
Alcohol taxes [2]	13,403	13,606	112,644	120,827	14	14
Tobacco taxes [2]	362	398	6,498	5,814	55	2
Manufacturers' and retailers' excise taxes, total	3,324	3,510	154,964	149,087	1,634	683
Gasoline used on farms [3]	89	96	106,458	106,542	----------	----------
Gasoline, nonhighway	892	773	4,205	4,393	2	----------
Other [4]	2,343	2,641	44,300	38,152	1,632	683
All other excise taxes [5]	31,262	34,594	15,824	16,213	829	924

[1] Net of 197,214 undeliverable checks totaling $71,658,000 in 1977 and 244,803 undeliverable checks totaling $99,364,000 in 1978.
[2] Includes drawbacks and stamp redemptions.
[3] Includes tax credits totaling $106,295,000 in 1977 and $106,355,000 in 1978.
[4] Includes lubricating oil used for nonhighway purposes.
[5] Includes narcotics, silver, wagering (excise and stamps), capital stock and other excise tax refunds.
[6] Excludes 168,392 tax year 1974 rebates totaling $4,104,000, including $68,000 interest.

Table 8.—Overassessments of Tax Exclusive of Claims for Refund

	Numbers 1976	Numbers 1977	Numbers 1978	Amount Recommended (thousands of dollars) 1976	Amount Recommended 1977	Amount Recommended 1978
Total	**137,689**	**122,003**	**137,600**	**$289,100**	**$280,511**	**$312,265**
Individual	109,264	94,799	106,468	96,471	83,055	97,982
Fiduciary	1,589	1,128	1,450	7,423	8,211	10,839
Corporation	11,667	12,360	11,002	133,216	130,649	158,810
Estate	6,167	5,226	4,183	33,939	35,249	28,253
Gift	677	551	549	1,724	2,235	1,532
Excise	4,787	3,710	4,040	5,594	5,558	9,476
Employment	3,538	4,229	4,908	10,733	15,554	5,373

Table 9.—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	**136,718,328**	**87,386,093**	**8,102,814**	**1,732,207**	**1,205,035**	**2,349,142**	**160,152**
North-Atlantic Region	**19,544,002**	**12,323,397**	**1,179,446**	**351,602**	**134,313**	**469,572**	**25,991**
Albany (See (c) below)	1,156,634	751,708	70,047	9,398	7,893	21,521	1,545
Augusta (Maine)	671,336	429,500	39,942	8,948	3,480	10,926	657
Boston (Massachusetts)	3,679,130	2,373,732	220,034	92,301	18,116	75,887	4,910
Brooklyn (See (c) below)	4,169,028	2,792,635	256,846	23,414	26,536	110,082	5,867
Buffalo (See (c) below)	2,672,571	1,796,485	153,793	36,272	18,573	43,961	3,585
Burlington (Vermont)	323,644	192,426	21,275	4,395	2,560	6,567	401
Hartford (Connecticut)	2,302,410	1,429,935	151,131	44,087	18,746	44,213	2,780
Manhattan (See (c) below)	3,399,105	1,791,640	200,011	117,056	32,061	130,187	5,054
Portsmouth (New Hampshire)	569,714	366,585	34,566	6,217	3,305	10,265	665
Providence (Rhode Island)	600,430	388,751	31,801	9,514	3,043	15,963	527
Mid-Atlantic Region	**18,429,426**	**11,795,943**	**1,104,965**	**264,925**	**140,269**	**320,646**	**20,287**
Baltimore (Maryland & D.C.)	3,225,956	2,121,562	189,668	43,850	25,349	52,353	3,435
Newark (New Jersey)	4,579,144	2,793,858	297,470	50,010	35,639	118,103	6,078
Philadelphia (See (e) below)	4,340,545	2,880,917	277,880	93,762	33,440	67,545	4,823
Pittsburgh (See (e) below)	2,565,570	1,754,669	155,009	39,053	20,488	29,004	2,313
Richmond (Virginia)	3,021,981	2,009,956	164,329	28,177	22,169	44,931	3,115
Wilmington (Delaware)	696,229	234,981	20,609	10,073	2,184	8,710	523
Southeast Region	**19,434,870**	**12,418,135**	**1,092,295**	**173,343**	**151,882**	**324,468**	**19,531**
Atlanta (Georgia)	2,913,119	1,909,121	125,822	21,892	21,865	44,944	2,022
Birmingham (Alabama)	1,926,539	1,284,787	87,640	14,859	13,290	25,504	1,227
Columbia (South Carolina)	1,596,577	1,065,096	79,574	9,015	10,951	22,938	1,436
Greensboro (North Carolina)	3,221,835	2,116,913	159,579	23,736	24,538	51,245	2,625
Jackson (Mississippi)	1,195,161	774,904	54,637	5,775	9,728	15,949	804
Jacksonville (Florida)	5,908,196	3,518,896	466,259	78,937	45,244	131,211	9,452
Nashville (Tennessee)	2,673,443	1,748,418	118,784	19,129	26,266	32,677	1,965
Central Region	**17,755,162**	**11,915,692**	**1,008,728**	**205,748**	**136,073**	**272,054**	**18,185**
Cincinnati (See (d) below)	2,802,276	1,849,630	158,394	35,225	20,201	38,604	3,025
Cleveland (See (d) below)	3,752,947	2,515,470	215,460	47,330	25,355	61,374	4,204
Detroit (Michigan)	5,237,543	3,575,430	284,230	60,474	42,340	82,487	4,208
Indianapolis (Indiana)	3,132,257	2,108,054	193,304	36,496	20,933	47,917	4,214
Louisville (Kentucky)	1,867,752	1,223,748	105,814	17,108	18,871	27,185	1,728
Parkersburg (West Virginia)	962,387	643,360	51,526	9,115	8,373	14,487	806
Midwest Region	**19,532,427**	**12,518,428**	**1,235,415**	**305,600**	**179,485**	**329,247**	**34,366**
Aberdeen (South Dakota)	443,253	265,227	27,147	4,104	5,243	6,668	930
Chicago (See (b) below)	5,440,606	3,645,931	320,440	106,352	50,414	93,415	8,081
Des Moines (Iowa)	1,920,281	1,157,641	140,356	33,245	20,155	33,295	5,095
Fargo (North Dakota)	435,024	256,560	25,922	4,185	4,931	6,640	1,248
Milwaukee (Wisconsin)	2,922,991	1,861,397	187,744	49,707	22,773	52,331	4,385
Omaha (Nebraska)	1,056,998	633,638	68,982	12,432	11,803	19,396	2,466
St. Louis (Missouri)	2,933,287	1,874,551	191,257	42,077	23,905	52,611	3,649
St. Paul (Minnesota)	2,520,534	1,622,483	142,424	28,641	22,488	43,710	3,891
Springfield (See (b) below)	1,859,453	1,201,000	131,143	24,857	17,773	21,181	4,621
Southwest Region	**17,556,347**	**11,063,775**	**957,620**	**169,498**	**184,111**	**286,066**	**17,922**
Albuquerque (New Mexico)	702,666	460,414	34,578	5,461	6,850	10,763	497
Austin (See (f) below)	4,738,586	3,013,654	221,571	43,441	48,570	64,111	3,835
Cheyenne (Wyoming)	298,293	176,697	17,581	2,522	3,702	6,211	347
Dallas (See (f) below)	3,483,266	2,152,171	194,878	43,311	46,384	53,464	3,263
Denver (Colorado)	1,801,247	1,128,334	102,755	21,866	22,909	34,430	1,819
Little Rock (Arkansas)	1,183,420	751,899	67,403	8,157	11,395	19,961	977
New Orleans (Louisiana)	2,124,993	1,387,232	109,679	10,065	13,536	42,418	1,275
Oklahoma City (Oklahoma)	1,690,831	1,062,424	102,326	15,941	16,694	29,749	2,722
Wichita (Kansas)	1,533,045	930,950	106,849	18,734	14,101	24,959	3,187
Western Region	**23,860,142**	**14,999,427**	**1,477,890**	**260,821**	**278,593**	**341,157**	**23,131**
Anchorage (Alaska)	266,018	173,667	7,406	890	4,130	4,339	129
Boise (Idaho)	542,942	336,183	29,870	4,022	6,748	9,633	517
Helena (Montana)	542,189	316,740	34,338	4,945	6,587	9,982	697
Honolulu (Hawaii)	590,479	380,947	33,967	5,767	5,688	12,497	601
Los Angeles (See (a) below)	8,757,617	5,567,004	547,912	101,868	104,828	122,750	8,419
Phoenix (Arizona)	1,406,785	911,551	91,497	18,104	12,684	23,351	1,377
Portland (Oregon)	1,896,315	1,140,301	106,108	17,817	20,533	27,879	1,964
Reno (Nevada)	473,621	311,140	22,593	4,951	4,953	8,946	301
Salt Lake City (Utah)	741,542	481,635	32,008	10,068	9,518	14,306	505
San Francisco (See (a) below)	6,144,992	3,811,499	418,862	67,384	75,101	68,771	6,690
Seattle (Washington)	2,497,642	1,568,760	153,329	25,005	27,813	38,703	1,931
Office of International Operations	**605,952**	**351,296**	**46,455**	**670**	**309**	**5,932**	**739**
Puerto Rico	260,342	75,213	12,019	48	39	262	29
Other	345,610	276,083	34,436	622	270	5,670	710
Total for States not shown above							
(a) California	14,902,609	9,378,503	966,774	169,252	179,929	191,521	15,109
(b) Illinois	7,300,059	4,846,931	451,583	131,209	68,187	114,596	12,702
(c) New York	11,397,338	7,142,468	680,697	186,140	85,063	305,751	16,051
(d) Ohio	6,555,223	4,365,190	373,854	82,555	45,556	99,978	7,229
(e) Pennsylvania	6,905,116	4,635,586	432,889	132,815	53,928	96,549	7,136
(f) Texas	8,221,852	5,165,825	416,449	86,752	94,954	117,575	7,098

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, 1120F, and 1120H.
(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 5501, 5500, 5500C, 5500K, 4848, 4848A, and 990P.
(12) Includes Forms 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, and 4638.
(14) Includes Forms 1040X, 1120X, 2688, 4868, 7004, Tent. 1120L & M, 7005, 990AR, 4578, 5300 Series, 5329, 1041A, and 2438.

Table 9.—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	**195,194**	**25,541,364**	**516,525**	**1,243,137**	**551,572**	**907,758**	**6,827,353**
North-Atlantic Region	**29,884**	**3,686,135**	**31,427**	**212,845**	**71,174**	**87,486**	**940,730**
Albany (See (c) below)	1,431	211,982	—	9,085	7,321	8,246	46,457
Augusta (Maine)	994	131,201	—	4,759	4,826	7,760	28,343
Boston (Massachusetts)	5,336	629,703	31,427	37,046	10,534	16,336	163,768
Brooklyn (See (c) below)	4,196	709,599	—	37,157	9,785	11,097	181,814
Buffalo (See (c) below)	3,932	442,286	—	28,495	14,270	16,527	114,392
Burlington (Vermont)	545	72,048	—	3,241	2,450	2,627	15,109
Hartford (Connecticut)	4,224	389,411	—	28,647	9,042	9,909	170,285
Manhattan (See (c) below)	7,880	878,528	—	54,970	7,965	7,243	166,510
Portsmouth (New Hampshire)	819	107,045	—	3,908	2,852	5,119	28,368
Providence (Rhode Island)	527	114,332	—	5,537	2,129	2,622	25,684
Mid-Atlantic Region	**21,309**	**3,251,841**	**302,504**	**191,385**	**62,402**	**98,998**	**853,952**
Baltimore (Maryland & D.C.)	4,270	551,502	—	38,968	9,420	13,883	171,696
Newark (New Jersey)	4,321	873,467	—	56,455	14,408	20,943	307,392
Philadelphia (See (e) below)	4,583	748,328	—	45,593	15,202	24,137	144,336
Pittsburgh (See (e) below)	2,504	426,167	—	26,719	10,651	18,141	80,852
Richmond (Virginia)	4,965	578,998	—	20,516	11,436	19,490	113,899
Wilmington (Delaware)	666	73,379	302,504	3,134	1,285	2,404	35,777
Southeast Region	**28,606**	**3,970,296**	**23,593**	**113,422**	**76,793**	**127,720**	**914,786**
Atlanta (Georgia)	4,735	611,604	13,155	16,719	9,882	22,111	109,247
Birmingham (Alabama)	2,336	404,169	—	7,741	7,130	14,601	63,255
Columbia (South Carolina)	2,283	331,071	—	7,712	7,231	12,161	47,109
Greensboro (North Carolina)	4,379	668,712	—	21,789	12,282	23,050	112,987
Jackson (Mississippi)	1,237	266,582	—	5,878	8,210	10,570	40,887
Jacksonville (Florida)	10,866	1,182,870	10,438	37,682	22,039	25,245	369,057
Nashville (Tennessee)	2,770	505,288	—	15,901	10,019	19,982	172,244
Central Region	**21,561**	**3,013,040**	**55,110**	**161,588**	**77,111**	**118,580**	**761,692**
Cincinnati (See (d) below)	3,400	449,759	26,073	26,056	10,200	13,866	167,843
Cleveland (See (d) below)	4,861	626,735	14,966	44,728	15,444	21,417	155,603
Detroit (Michigan)	5,639	849,973	14,071	50,519	22,706	32,051	213,415
Indianapolis (Indiana)	4,632	531,090	—	24,577	12,509	29,791	118,740
Louisville (Kentucky)	2,144	359,862	—	10,169	10,313	13,890	66,920
Parkersburg (West Virginia)	885	185,621	—	5,539	5,939	7,565	29,171
Midwest Region	**40,281**	**3,529,465**	**15,566**	**271,046**	**98,890**	**164,894**	**809,744**
Aberdeen (South Dakota)	1,443	97,499	—	5,124	3,458	6,627	19,783
Chicago (See (b) below)	8,300	832,453	—	74,497	15,638	20,949	264,136
Des Moines (Iowa)	5,746	390,042	—	37,045	9,591	21,444	66,626
Fargo (North Dakota)	1,657	96,915	—	8,520	2,638	7,584	18,224
Milwaukee (Wisconsin)	6,521	529,467	—	42,967	24,059	25,962	115,678
Omaha (Nebraska)	4,001	221,858	—	11,510	5,489	16,220	49,203
St. Louis (Missouri)	4,395	566,457	—	30,524	17,403	24,189	102,269
St. Paul (Minnesota)	4,324	449,064	15,566	34,645	11,487	25,887	115,924
Springfield (See (b) below)	3,894	345,710	—	26,214	9,127	1-,032	57,901
Southwest Region	**25,647**	**3,573,490**	**26,049**	**74,168**	**85,444**	**150,517**	**942,040**
Albuquerque (New Mexico)	819	145,556	—	1,745	2,840	5,231	27,412
Austin (See (f) below)	5,734	883,602	13,273	11,039	25,887	29,493	374,376
Cheyenne (Wyoming)	836	66,830	—	2,097	2,067	4,152	15,251
Dallas (See (f) below)	4,204	747,740	12,776	13,014	12,396	32,788	136,877
Denver (Colorado)	3,186	354,880	—	15,586	6,967	14,315	94,200
Little Rock (Arkansas)	1,784	256,859	—	761	5,779	13,980	44,465
New Orleans (Louisiana)	1,782	453,936	—	3,548	12,187	15,244	74,091
Oklahoma City (Oklahoma)	3,175	345,730	—	9,438	10,161	17,307	75,194
Wichita (Kansas)	4,127	318,357	—	16,940	7,160	17,507	70,174
Western Region	**27,488**	**4,330,620**	**62,276**	**218,141**	**79,371**	**158,658**	**1,602,169**
Anchorage (Alaska)	193	46,396	—	1,640	2,318	4,319	20,591
Boise (Idaho)	715	113,074	—	4,899	3,246	8,293	25,742
Helena (Montana)	1,972	118,066	—	4,771	4,392	9,150	30,549
Honolulu (Hawaii)	1,584	97,821	—	4,893	1,439	2,412	42,863
Los Angeles (See (a) below)	7,115	1,571,789	28,902	79,133	18,944	35,436	563,517
Phoenix (Arizona)	1,977	251,572	—	10,027	6,145	8,040	70,450
Portland (Oregon)	2,735	323,543	6	18,112	7,710	17,186	212,421
Reno (Nevada)	543	83,603	—	2,835	2,237	6,173	25,346
Salt Lake City (Utah)	1,248	140,768	—	5,895	2,302	7,341	35,948
San Francisco (See (a) below)	6,776	1,100,101	22,482	66,572	21,243	34,587	444,924
Seattle (Washington)	2,630	483,887	10,886	19,364	9,395	25,721	130,218
Office of International Operations	**418**	**186,477**	—	**542**	**387**	**905**	**11,822**
Puerto Rico	56	171,783	—	26	367	21	479
Other	362	14,694	—	516	20	884	11,343
Total for States not shown above							
(a) California	13,891	2,671,890	51,384	145,705	40,187	70,023	1,008,441
(b) Illinois	12,194	1,178,163	—	100,711	24,765	36,981	322,037
(c) New York	17,439	2,242,395	—	129,707	39,341	43,113	509,173
(d) Ohio	8,261	1,076,494	41,039	70,784	25,644	35,283	323,446
(e) Pennsylvania	7,087	1,174,495	—	72,312	25,853	42,278	225,188
(f) Texas	9,938	1,631,342	26,049	24,053	38,283	62,281	541,253

Table 10.—Earned income credits—fiscal year 1978

(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]		FILED FOR EIC ONLY [2]		APPLICATION OF EARNED INCOME CREDITS [3]					
					APPLIED TO CURRENT 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	5,621,995	1,138,623	308,330	64,458	2,286,913	247,497	4,278,274	879,951	81,303	11,176
North-Atlantic Region	653,787	130,732	29,784	6,081	260,398	27,635	457,740	101,483	9,736	1,614
Albany (See (c) below)	43,442	8,621	2,154	430	17,879	1,986	32,563	6,552	546	83
Augusta (Maine)	34,480	6,927	1,370	257	14,720	1,709	26,035	5,163	423	55
Boston (Massachusetts)	108,330	21,626	4,281	743	40,225	4,333	83,155	17,080	1,326	213
Brooklyn (See (c) below)	156,906	31,955	8,751	1,967	59,344	6,141	119,482	25,285	3,054	529
Buffalo (See (c) below)	91,147	17,999	4,265	816	38,630	4,307	67,862	13,530	1,061	162
Burlington (Vermont)	13,777	2,738	923	176	6,001	720	10,381	1,991	182	27
Hartford (Connecticut)	57,221	11,125	1,714	322	24,019	2,482	41,991	8,535	675	108
Manhattan (See (c) below)	109,180	21,998	5,092	1,142	43,452	4,234	81,957	17,399	2,055	365
Portsmouth (New Hampshire)	18,439	3,578	578	108	8,389	942	13,222	2,608	192	28
Providence (Rhode Island)	20,865	4,166	656	121	7,739	782	16,092	3,341	222	43
Mid-Atlantic Region	630,038	125,111	26,330	5,118	266,415	27,489	470,333	96,550	6,933	1,072
Baltimore (See (g) below)	73,494	14,522	2,625	509	31,205	3,183	54,492	11,214	830	125
Newark (New Jersey)	149,959	30,081	5,427	1,044	56,908	5,885	114,095	23,862	1,984	334
Philadelphia (See (e) below)	143,003	28,273	5,649	1,039	60,206	6,579	105,603	21,452	1,501	242
Pittsburgh (See (e) below)	80,171	15,686	3,992	697	38,086	3,526	60,438	12,053	698	107
Richmond (Virginia)	128,047	25,561	6,487	1,387	55,986	5,885	95,335	19,510	1,203	166
Washington, D.C. (See (g) below)	41,174	8,195	1,528	320	18,164	1,828	29,778	6,285	572	82
Wilmington (Delaware)	14,190	2,794	622	122	5,860	603	10,592	2,173	145	18
Southeast Region	1,237,856	255,461	82,499	18,330	501,299	53,647	952,014	199,680	14,420	2,134
Atlanta (Georgia)	203,264	42,261	12,709	2,790	82,668	8,747	156,630	33,193	2,256	321
Birmingham (Alabama)	144,029	30,261	9,572	2,152	54,838	5,915	113,518	24,145	1,380	201
Columbia (South Carolina)	109,817	22,265	7,666	1,707	43,781	4,490	84,086	17,601	1,149	174
Greensboro (North Carolina)	207,329	41,711	10,242	2,175	91,622	9,849	154,110	31,535	2,354	327
Jackson (Mississippi)	118,370	25,937	18,121	4,403	39,136	4,253	97,795	21,471	1,427	213
Jacksonville (Florida)	277,442	56,862	14,749	3,137	115,506	12,418	209,812	43,782	4,172	662
Nashville (Tennessee)	177,605	36,164	9,440	1,955	73,748	7,975	136,063	27,953	1,682	236
Central Region	638,292	127,723	25,403	4,782	261,452	28,578	482,680	98,323	5,612	822
Cincinnati (See (d) below)	101,896	20,237	3,474	650	41,658	4,386	76,266	15,705	997	146
Cleveland (See (d) below)	107,264	21,187	3,455	613	45,420	4,850	78,923	16,206	904	131
Detroit (Michigan)	146,813	29,291	5,270	889	56,721	6,161	112,684	22,918	1,372	212
Indianapolis (Indiana)	114,720	22,901	3,498	650	51,074	5,554	83,765	17,210	940	137
Louisville (Kentucky)	117,679	24,187	7,127	1,472	48,398	5,740	91,742	18,302	1,067	145
Parkersburg (West Virginia)	49,920	9,921	2,579	509	18,181	1,888	39,300	7,982	332	51
Midwest Region	634,985	126,176	24,328	4,566	297,912	34,803	465,578	90,306	6,627	1,067
Aberdeen (South Dakota)	23,069	4,604	1,026	206	13,984	1,862	17,003	2,717	173	25
Chicago (See (b) below)	159,931	31,829	4,243	763	61,734	6,256	120,416	25,129	2,478	444
Des Moines (Iowa)	53,809	10,516	2,020	361	29,566	3,722	37,507	6,725	437	69
Fargo (North Dakota)	16,941	3,228	684	128	10,333	1,349	11,720	1,864	127	15
Milwaukee (Wisconsin)	76,520	14,981	3,108	553	36,989	4,443	55,397	10,434	701	104
Omaha (Nebraska)	33,947	6,548	1,445	274	19,726	2,463	23,363	4,043	261	42
St. Louis (Missouri)	134,285	27,328	6,440	1,304	59,443	6,760	100,525	20,382	1,254	186
St. Paul (Minnesota)	74,542	14,691	2,996	535	39,364	4,943	53,544	9,654	644	94
Springfield (See (b) below)	61,940	12,450	2,366	412	26,773	3,004	46,103	9,359	552	87
Southwest Region	933,047	191,896	64,900	14,053	367,656	40,259	722,962	149,947	10,643	1,690
Albuquerque (New Mexico)	48,455	9,757	4,463	868	16,496	1,719	39,072	7,845	563	93
Austin (See (f) below)	277,543	57,453	23,494	5,313	98,002	10,247	221,695	46,675	3,279	531
Cheyenne (Wyoming)	8,475	1,686	433	79	4,062	471	6,217	1,201	87	14
Dallas (See (f) below)	164,346	33,629	8,697	1,826	70,266	7,672	122,602	25,582	2,278	375
Denver (Colorado)	62,250	12,396	2,914	534	26,702	2,892	46,655	9,369	805	135
Little Rock (Arkansas)	90,585	18,779	7,710	1,745	37,291	4,342	69,905	14,305	941	132
New Orleans (Louisiana)	142,761	30,096	10,970	2,438	52,190	5,630	114,186	24,281	1,265	185
Oklahoma City (Oklahoma)	89,374	18,356	4,583	936	38,115	4,430	67,650	13,778	959	148
Wichita (Kansas)	49,258	9,743	1,636	314	24,532	2,856	34,979	6,810	466	77
Western Region	892,174	181,171	55,043	11,519	337,270	35,039	690,473	143,365	15,777	2,767
Anchorage (Alaska)	6,131	1,199	122	23	2,549	266	4,620	921	74	12
Boise (Idaho)	22,538	4,467	1,076	207	10,854	1,264	16,394	3,162	265	41
Helena (Montana)	20,912	4,199	1,176	228	9,919	1,182	15,560	2,981	223	36
Honolulu (Hawaii)	17,475	3,202	742	126	7,097	635	13,385	2,546	138	21
Los Angeles (See (a) below)	377,204	77,956	23,930	5,211	132,135	13,674	296,937	62,642	8,864	1,640
Phoenix (Arizona)	68,616	13,929	4,724	980	24,959	2,551	53,700	11,222	987	156
Portland (Oregon)	59,101	11,810	2,539	460	24,288	2,608	44,687	9,085	738	117
Reno (Nevada)	18,442	3,640	340	66	8,914	831	13,200	2,769	233	40
Salt Lake City (Utah)	27,168	5,408	1,208	241	11,450	1,206	20,371	4,158	276	44
San Francisco (See (a) below)	202,399	41,141	16,401	3,407	74,763	7,701	157,589	32,898	3,274	542
Seattle (Washington)	72,188	14,219	2,785	511	30,347	3,121	54,031	10,980	705	118
Office of International Operations	1,816	353	43	9	511	47	1,494	296	50	9
Puerto Rico	630	126	15	3	110	8	555	117	9	2
Other	1,186	226	28	6	401	40	939	180	41	7
Totals for States not shown above										
(a) California	579,603	119,097	40,331	8,678	206,898	21,375	454,525	95,540	12,138	2,182
(b) Illinois	221,871	44,279	6,609	1,205	88,507	9,260	166,519	34,488	3,030	531
(c) New York	400,675	80,572	20,262	4,354	159,305	16,668	301,864	62,765	6,716	1,139
(d) Ohio	209,160	41,424	6,929	1,263	87,078	9,236	155,189	31,910	1,901	278
(e) Pennsylvania	223,174	43,959	9,641	1,786	92,292	10,105	166,041	33,506	2,199	348
(f) Texas	441,889	91,083	32,191	7,139	168,268	17,919	344,297	72,258	5,557	906
(g) Baltimore District (Maryland and D.C.)	114,668	22,717	4,153	830	49,369	5,011	84,270	17,499	1,402	207

[1] Includes Earned Income Credits claimed by taxpayer 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. Data are for current tax years.
[2] Limited to taxpayers who filed a tax return solely to claim the Earned Income Credit.
[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 the Earned Income Credit applications equals the amount shown in Column (2). Note—amounts may not add due to rounding.
[4] Earned Income Credits generated but applied to other than current tax year liabilities and those generated but temporarily unapplied pending resolution of taxpayer accounts.
[5] The United States total for Column 9 includes 11,505 other Earned Income Credit applications which are not available by district and region.

Table 11.—Number of returns examined by class of tax and by internal revenue regions, districts, and other areas

Region, service center, and district	Total	Individual	Partnership	Fiduciary	Corporation	Subchapter S Corporation	Estate	Gift	Excise	Employment	Exempt Organization	Employee Plans
Total	2,358,188	1,845,242	27,828	11,542	147,340	13,134	33,416	11,627	95,695	142,775	17,238	12,351
North-Atlantic	350,427	272,877	2,763	2,049	29,835	2,628	6,734	2,115	12,364	15,416	2,792	854
Mid-Atlantic	278,796	215,322	3,251	2,061	20,353	1,485	3,590	1,390	9,439	17,875	2,530	1,500
Southeast	348,352	273,058	3,605	1,306	18,274	1,708	4,024	2,100	15,822	22,207	2,079	2,169
Central	226,035	167,862	3,013	1,468	16,886	1,515	3,737	1,006	10,151	14,335	2,229	3,833
Midwest	312,412	224,537	4,505	2,034	24,591	2,219	5,881	2,383	18,428	22,919	2,939	1,976
Southwest	281,426	209,692	4,764	1,040	15,735	1,875	3,533	1,316	16,213	24,146	2,718	394
Western	535,804	459,114	5,922	1,565	20,981	1,692	5,554	1,238	13,164	22,998	1,951	1,625
International Operations	24,936	20,780	5	19	685	12	363	79	114	2,879	—	—
North-Atlantic Region:												
Albany	14,867	11,644	139	48	977	62	368	165	827	637	—	—
Augusta	8,156	5,546	74	66	621	56	156	70	650	917	—	—
Boston	47,866	33,107	418	602	5,319	312	999	206	2,526	2,978	1,215	274
Brooklyn	87,133	72,885	562	178	4,680	757	1,433	317	2,068	3,322	561	370
Buffalo	35,628	26,812	455	283	3,150	226	737	248	1,752	1,965	—	—
Burlington	4,316	3,536	47	18	202	50	51	9	149	254	—	—
Hartford	24,779	17,346	374	337	2,467	298	1,069	400	1,052	1,436	—	—
Manhattan	81,524	59,335	594	426	11,046	780	1,774	654	2,628	3,061	1,016	210
Portsmouth	7,585	6,056	57	42	533	23	116	20	375	363	—	—
Providence	5,845	3,882	43	49	840	64	121	26	337	483	—	—
Andover Service Center	12,956	12,956	—	—	—	—	—	—	—	—	—	—
Brooklyn Service Center	19,772	19,772	—	—	—	—	—	—	—	—	—	—
Mid-Atlantic Region:												
Baltimore	51,623	39,408	621	314	3,123	205	574	427	1,785	3,180	1,439	547
Newark	73,408	56,750	1,042	418	5,918	601	1,162	249	2,061	4,527	394	286
Philadelphia	66,432	51,635	706	528	6,023	263	660	217	1,806	3,230	697	667
Pittsburgh	27,989	19,662	332	446	2,169	109	596	279	1,712	2,684	—	—
Richmond	40,273	31,303	475	220	2,532	273	493	195	1,861	2,921	—	—
Wilmington	6,079	3,572	75	135	588	34	105	23	214	1,333	—	—
Philadelphia Service Center	12,992	12,992	—	—	—	—	—	—	—	—	—	—
Southeast Region:												
Atlanta	62,266	45,998	594	190	3,121	289	462	395	3,960	4,801	1,147	1,309
Birmingham	33,230	26,747	462	112	1,822	146	255	204	949	2,533	—	—
Columbia	19,838	16,029	212	78	1,228	116	235	89	342	1,509	—	—
Greensboro	46,595	35,302	504	167	3,242	195	511	236	2,731	3,707	—	—
Jackson	23,190	17,973	381	45	1,191	97	251	171	1,024	2,057	—	—
Jacksonville	96,708	74,562	950	566	5,519	719	1,967	754	5,015	4,864	932	860
Nashville	34,232	26,154	502	148	2,151	146	343	251	1,801	2,736	—	—
Atlanta Service Center	15,658	15,658	—	—	—	—	—	—	—	—	—	—
Memphis Service Center	16,635	16,635	—	—	—	—	—	—	—	—	—	—
Central Region:												
Cincinnati	36,510	23,318	530	285	3,049	160	508	161	1,962	2,833	1,018	2,686
Cleveland	39,803	27,916	455	263	3,571	192	1,020	265	2,341	2,554	701	525
Detroit	77,903	60,634	992	460	5,902	356	912	333	3,006	4,176	510	622
Indianapolis	31,556	23,243	522	286	1,767	575	759	96	1,843	2,465	—	—
Louisville	21,217	16,396	371	106	1,644	124	388	81	645	1,462	—	—
Parkersburg	9,627	6,936	143	68	953	108	150	70	354	845	—	—
Cincinnati Service Center	9,419	9,419	—	—	—	—	—	—	—	—	—	—
Midwest Region:												
Aberdeen	6,841	5,335	98	42	282	65	168	53	184	614	—	—
Chicago	93,727	69,160	1,067	682	9,611	692	1,425	379	3,292	6,348	673	398
Des Moines	26,098	17,959	363	203	1,425	272	702	354	2,366	2,454	—	—
Fargo	5,324	3,917	93	35	261	47	235	105	169	462	—	—
Milwaukee	36,927	23,924	670	378	3,771	231	554	272	4,733	2,394	—	—
Omaha	16,416	10,739	393	93	972	173	509	238	1,713	1,586	—	—
St. Louis	46,159	32,296	678	257	4,290	248	775	339	1,470	3,800	1,265	741
St. Paul	41,652	30,382	638	219	2,775	327	871	390	1,368	2,844	1,001	837
Springfield	24,359	15,916	505	125	1,204	164	642	253	3,133	2,417	—	—
Kansas City Service Center	14,909	14,909	—	—	—	—	—	—	—	—	—	—
Southwest Region:												
Albuquerque	8,391	6,395	116	9	425	37	75	42	428	864	—	—
Austin	58,909	43,411	1,230	253	3,811	374	618	212	2,970	4,275	1,574	181
Cheyenne	4,018	2,922	80	23	309	47	95	30	217	295	—	—
Dallas	63,357	45,920	1,188	304	3,683	402	797	359	3,071	6,276	1,144	213
Little Rock	16,727	12,138	517	100	1,590	224	441	138	2,632	2,564	—	—
New Orleans	30,858	23,250	508	56	1,074	144	237	64	1,207	1,547	—	—
Oklahoma City	26,285	19,657	435	135	1,638	260	373	193	2,231	2,349	—	—
Wichita	27,186	18,510	419	115	1,702	200	428	123	1,322	2,283	—	—
Austin Service Center	16,997	16,997	—	—	1,503	187	469	155	2,135	3,693	—	—
Western Region:												
Anchorage	7,542	6,079	58	21	284	21	44	10	320	705	—	—
Boise	7,608	5,728	113	30	371	70	95	25	424	752	—	—
Helena	7,007	4,836	149	23	469	110	124	39	567	690	—	—
Honolulu	9,787	7,907	164	82	723	43	78	16	371	403	—	—
Los Angeles	235,586	207,821	2,181	447	7,961	501	2,281	352	3,677	8,554	819	992
Phoenix	25,995	21,114	348	84	1,188	146	301	102	824	1,888	—	—
Portland	17,427	13,036	343	75	1,261	146	355	123	599	1,489	—	—
Reno	15,435	12,998	158	35	557	45	67	48	887	640	—	—
Salt Lake City	11,998	9,473	166	75	638	67	81	51	459	988	—	—
San Francisco	115,165	95,997	1,731	576	5,237	243	1,693	399	2,924	5,280	644	441
Seattle	32,252	24,123	511	117	2,292	300	435	73	2,112	1,609	488	192
Ogden Service Center	15,601	15,601	—	—	—	—	—	—	—	—	—	—
Fresno Service Center	34,401	34,401	—	—	—	—	—	—	—	—	—	—

Table 12.—Additional tax and penalties recommended after examination by class of tax, and by internal revenue regions, districts, and other areas, fiscal year 1978
(In thousands of dollars)

Region, service center, and district	Total	Individual	Fiduciary	Corporation	Subchapter S Corporation	Estate	Gift	Excise	Employment	Exempt Organizations
Total	6,281,153	1,785,328	44,922	3,299,235	30,860	632,145	78,708	140,594	247,623	21,738
North-Atlantic	1,207,876	292,376	3,736	742,690	4,622	116,454	14,469	7,070	25,840	621
Mid-Atlantic	718,043	211,580	4,572	415,358	1,243	49,262	6,365	5,701	22,858	1,103
Southeast	763,222	298,290	11,886	274,378	2,573	50,288	8,533	86,695	24,749	5,830
Central	696,788	170,458	1,642	406,659	2,559	74,146	2,954	15,109	19,257	4,003
Midwest	872,715	167,652	9,475	485,410	5,830	69,095	12,504	9,693	76,170	6,886
Southwest	925,166	219,450	7,561	454,549	1,757	172,237	25,966	7,200	35,471	974
Western	1,006,740	366,395	6,046	490,545	12,277	71,865	7,780	8,934	40,576	2,321
International Operations	90,604	29,125	3	29,645	—	28,799	138	191	2,702	—
North-Atlantic Region:										
Albany	39,571	9,025	34	26,202	*	3,215	639	103	353	—
Augusta	13,201	4,582	69	6,863	*	937	79	216	455	—
Boston	146,972	31,398	1,005	97,123	385	10,441	923	1,421	3,983	294
Brooklyn	132,115	51,933	388	28,247	556	39,761	1,726	724	8,699	82
Buffalo	81,028	17,389	320	33,365	816	23,509	4,315	395	920	—
Burlington	5,927	3,873	33	1,123	1	583	8	21	285	—
Hartford	96,055	14,452	127	67,602	14	7,989	2,692	1,275	1,905	—
Manhattan	629,483	123,872	1,577	457,024	2,741	28,327	3,897	2,859	8,942	245
Portsmouth	22,615	4,509	143	17,147	7	544	166	26	73	—
Providence	14,002	4,438	40	7,993	103	1,147	24	31	227	—
Andover Service Center	10,499	10,499	—	—	—	—	—	—	—	—
Brooklyn Service Center	16,408	16,408	—	—	—	—	—	—	—	—
Mid-Atlantic Region:										
Baltimore	128,209	37,518	2,215	62,495	319	13,509	3,522	2,784	5,650	197
Newark	157,731	43,188	1,178	94,594	227	7,699	451	726	8,942	727
Philadelphia	195,489	67,825	892	108,683	249	10,785	616	1,067	5,187	179
Pittsburgh	102,055	16,763	111	76,875	424	5,096	784	514	1,488	—
Richmond	79,886	30,274	134	35,433	24	11,664	758	456	1,144	—
Wilmington	42,647	3,985	43	37,273	*	510	234	154	448	—
Philadelphia Service Center	12,027	12,027	—	—	—	—	—	—	—	—
Southeast Region:										
Atlanta	188,375	32,257	425	57,252	170	4,868	2,738	79,725	7,810	3,130
Birmingham	76,130	22,865	144	42,931	789	6,147	633	534	2,085	—
Columbia	31,628	11,807	120	12,337	333	1,872	341	3,391	1,427	—
Greensboro	65,344	29,759	114	24,079	144	6,363	1,045	765	3,077	—
Jackson	43,691	29,563	208	8,222	4	2,914	1,342	226	1,212	—
Jacksonville	208,781	103,625	4,212	64,871	981	22,213	2,069	1,586	6,524	2,700
Nashville	118,254	37,395	6,663	64,681	152	5,910	366	470	2,614	—
Atlanta Service Center	14,766	14,766	—	—	—	—	—	—	—	—
Memphis Service Center	16,253	16,253	—	—	—	—	—	—	—	—
Central Region:										
Cincinnati	90,141	22,495	178	48,118	241	14,314	399	1,176	2,829	390
Cleveland	148,900	28,297	412	100,873	58	9,623	880	4,084	4,565	109
Detroit	271,453	47,786	393	191,507	287	15,227	629	8,242	3,879	3,504
Indianapolis	83,747	32,325	346	15,241	1,149	26,474	720	959	6,534	—
Louisville	69,134	18,658	187	43,305	*	5,132	242	584	1,028	—
Parkersburg	22,677	10,163	126	7,616	824	3,376	85	65	423	—
Cincinnati Service Center	10,735	10,735	—	—	—	—	—	—	—	—
Midwest Region:										
Aberdeen	7,409	3,012	12	2,440	44	1,606	155	15	126	—
Chicago	312,250	64,480	6,996	187,530	3,136	24,597	1,758	3,035	14,616	6,103
Des Moines	43,160	13,265	203	18,115	150	8,406	1,165	674	1,182	—
Fargo	6,498	3,368	42	548	7	2,124	184	48	177	—
Milwaukee	110,985	18,262	619	60,870	27	4,943	649	4,052	21,565	—
Omaha	28,211	8,316	926	9,874	1,961	4,580	576	255	1,723	—
St. Louis	150,788	29,886	372	84,074	98	7,890	577	512	27,277	102
St. Paul	123,792	22,034	133	75,675	387	9,029	6,894	439	8,520	681
Springfield	73,650	19,058	172	46,285	21	5,921	546	663	984	—
Kansas City Service Center	15,972	15,972	—	—	—	—	—	—	—	—
Southwest Region:										
Albuquerque	8,345	4,763	*	2,110	2	639	226	98	506	—
Austin	320,246	44,458	4,864	184,661	54	75,552	4,404	1,079	4,672	502
Cheyenne	12,602	3,188	4	816	683	1,431	6,240	55	186	—
Dallas	248,741	58,702	1,602	106,322	59	62,354	5,444	1,598	12,186	472
Denver	58,018	15,217	680	25,469	140	8,650	1,145	1,264	5,453	—
Little Rock	35,659	18,160	56	10,995	41	4,005	386	1,041	976	—
New Orleans	85,385	17,262	149	58,005	226	6,120	476	727	2,420	—
Oklahoma City	83,116	26,140	44	40,665	374	7,815	6,565	510	1,003	—
Wichita	56,568	15,074	161	25,507	178	5,671	1,080	829	8,067	—
Austin Service Center	16,486	16,486	—	—	—	—	—	—	—	—
Western Region:										
Anchorage	40,847	4,656	40	25,352	131	305	45	358	9,961	—
Boise	46,973	4,583	13	39,597	261	1,136	91	125	1,166	—
Helena	13,753	5,208	77	6,138	318	918	133	691	270	—
Honolulu	14,650	5,952	77	7,324	1	670	27	46	552	—
Los Angeles	277,125	122,053	464	101,897	703	32,144	3,602	3,182	10,902	2,178
Phoenix	55,580	17,579	36	25,859	737	2,961	771	494	7,143	—
Portland	54,749	14,419	87	31,317	*	5,025	572	332	2,997	—
Reno	64,393	34,010	216	17,262	9,077	2,057	261	147	1,363	—
Salt Lake City	21,654	7,738	21	11,382	4	1,166	150	176	1,018	—
San Francisco	312,986	85,186	2,720	196,731	987	19,693	1,433	2,296	3,811	128
Seattle	68,289	29,270	2,295	27,685	57	5,791	696	1,087	1,393	15
Ogden Service Center	17,557	17,557	—	—	—	—	—	—	—	—
Fresno Service Center	18,184	18,184	—	—	—	—	—	—	—	—

*Less than $500.00.

Table 13.—Civil Penalties assessed and abated, fiscal year 1978 (Dollars in thousands)

	ASSESSMENTS		ABATEMENTS		NET PENALTIES	
	Number	Amount	Number	Amount	Number	Amount
INDIVIDUAL						
Delinquency	708,434	120,175	97,654	25,843	610,780	94,333
Estimated Tax	2,904,995	200,160	165,271	20,663	2,739,724	179,497
Failure to Pay	3,782,820	83,308	337,633	7,994	3,445,187	75,314
Bad Check	90,978	773	3,191	90	87,787	683
Fraud	6,736	34,025	307	2,157	6,429	31,868
Negligence	66,143	9,319	1,705	884	64,438	8,435
Other[1]	7,207	500	288	26	6,919	473
TOTALS	7,567,313	448,260	606,049	57,658	6,961,264	390,602
CORPORATION[2]						
Delinquency	80,717	65,444	18,832	44,989	61,885	20,455
Estimated Tax	195,154	99,760	18,543	48,890	176,611	50,870
Failure to Pay	166,225	43,648	39,341	28,343	126,884	15,305
Federal Tax Deposits	67	8	4	2	63	6
Bad Check	1,847	50	152	30	1,695	20
Fraud	549	16,976	33	1,118	516	15,858
Negligence	2,920	2,199	78	316	2,842	1,883
Other[3]	75	150	7	14	68	136
TOTALS	447,554	228,234	76,990	123,702	370,564	104,533
EMPLOYMENT[4]						
Delinquency	2,080,234	186,774	135,891	36,700	1,944,343	150,074
Miscellaneous	2,233	176	550	57	1,683	118
Failure to Pay	2,370,984	54,603	316,713	12,962	2,054,271	41,641
Federal Tax Deposits	2,050,925	281,876	184,487	57,257	1,866,438	224,619
Bad Check	120,796	1,538	2,402	78	118,394	1,460
Fraud	1,969	2,844	136	169	1,833	2,675
Other[5]	317	46	21	3	296	44
TOTALS	6,627,458	527,856	640,200	107,225	5,987,258	420,631
EXCISE[6]						
Delinquency	31,251	3,869	4,486	1,699	26,765	2,170
Daily Delinquency	11,003	20,895	9,681	21,030	1,322	135
Failure to Pay	33,926	1,312	7,129	732	26,797	579
Federal Tax Deposits	21,702	3,748	3,306	1,049	18,396	2,699
Bad Check	629	10	26	1	603	10
Fraud	190	367	19	36	171	331
Other[7]	58	5	4	1	54	3
TOTALS	98,759	30,207	24,651	24,549	74,108	5,658
ESTATE AND GIFT						
Delinquency	16,573	22,315	6,203	11,469	10,370	10,846
Miscellaneous	19	12	4	7	15	5
Failure to Pay	24,216	11,188	8,657	5,295	15,559	5,893
Bad Check	343	34	64	18	279	17
Fraud	17	241	2	124	15	117
Negligence	75	32	3	1	72	31
TOTALS	41,243	33,822	14,933	16,914	26,310	16,908
TAX RETURN PREPARERS' PENALTY[8]						
Failure to Sign and Failure to Provide Tax Identification Numbers	76,200	7,612	10,300	1,840	65,900	5,772
ALL OTHER[9]						
Delinquency	237,779	15,073	24,147	4,465	213,632	10,608
Failure to Pay	290,375	6,059	28,881	1,248	261,494	4,811
Bad Check	3,877	17	125	2	3,752	16
Fraud	51	45	2	1	49	44
Negligence	55	15	—	—	55	15
Other[10]	23	([11])	48	106	−25	−106
TOTALS	532,160	21,209	53,203	5,821	478,957	15,388
TOTAL ALL CIVIL PENALTIES	15,390,687	1,297,200	1,426,326	337,709	13,964,361	959,492

Notes: Amounts may not add due to rounding. With the exception of ES, penalties can apply to any tax year. Abatements can apply to any tax year.

[1] Includes Taxpayer Identification Number, miscellaneous, Failure to Report Tips.
[2] Includes Forms 1120, 990C, 990T.
[3] Includes daily delinquency, miscellaneous.
[4] Includes Forms 940, 941, 942, 943, CT-1.
[5] Includes Estimated Tax, daily delinquency, negligence.
[6] Includes Forms 1041A, 990PF, 4720, 990, 720.
[7] Includes Estimated Tax, miscellaneous, negligence.
[8] Period covered is January 1, 1978 through September 30, 1978. These penalties are from processing of individual returns only and do not reflect other penalties assessable under the Tax Reform Act of 1976, Code Sections 6694 and 6695.
[9] Includes Forms 1041, 1065, 5329, 11, 118, 11C, 730, 2290, 4638.
[10] Includes Estimated Tax, daily delinquency, miscellaneous.
[11] Less than $500.

Table 14.—Appeals Division processing of all cases for 1977–1978 (Income, estate, gift, excise, employment, and offers-in-compromise)

Status	Number of Cases 1977	Number of Cases 1978
Pending October 1	38,973	39,989
Received	32,351	33,392
Disposed of, total	31,347	31,094
By agreement	22,309	22,098
Unagreed: (Overassessments, claims, excise, employment, and offer-in-compromise rejections)	2,482	2,054
By taxpayer default on statutory notice or dismissal by Tax Court	2,378	2,588
By petition to the Tax Court	2,776	2,612
Tried in the Tax Court	1,402	1,742
Pending September 30	39,977	[1] 42,287

[1] Unadjusted for cases transferred to Counsel under Rev. Proc. 78-9.

Table 15.—Appeals Division receipts and dispositions of cases not before the Tax Court (nondocketed cases)

A. Progress of work

Status	Number of Cases (1)	Amount stated in revenue agent's report (thousand dollars): Deficiency and Penalty (2)	Amount stated in revenue agent's report (thousand dollars): Overassessment (3)
Pending October 1	19,757	4,333,938	180,257
Received	20,109	1,620,735	55,651
Disposed of, total	19,147	1,266,540	73,311
By agreement	13,427	918,112	69,411
Unagreed: (Overassessments, claims, excise, employment and offer in compromise rejections)	2,054	37,259	3,900
By taxpayer default on statutory notice	1,054	52,565	—
By petition to the Tax Court transferred to docketed status	2,612	258,604	—
Pending September 30	20,718	4,688,133	162,597

B. Results obtained in dispositions

Method	Number of Cases (1)	Appellate determination (thousand dollars): Deficiency and Penalty (2)	Appellate determination (thousand dollars): Overassessment (3)
Disposed of, total	19,147	761,100	85,038
By agreement	13,427	414,380	83,319
Unagreed: (Overassessments, claims, excise, employment, and offer in compromise rejections)	2,054	36,668	1,719
By taxpayer default on statutory notice	1,054	50,128	—
By petition to the Tax Court transferred to docketed status	2,612	259,924	—

Table 16.—Appeals 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 (1)	Amount stated in statutory notice (thousand dollars): Deficiency in tax and Penalty (2)	Amount stated in statutory notice (thousand dollars): Overassessment (3)
Pending October 1	20,232	2,642,684	NA
Received, total	13,284	982,900	
Petitions filed in response to District Directors' statutory notices	10,956	756,653	
Appeals Division's statutory notices	2,328	226,247	
Disposed of, total	11,947	604,621	
By stipulated agreement	8,671	468,113	NA
By dismissal by the Tax Court or taxpayer default	1,534	27,253	
Tried before the Tax Court on the merits	1,742	109,255	
Pending September 30 [1]	21,569	3,020,963	

B. Results obtained in dispositions

Method	Number of Cases	Appellate determination (thousand dollars): Deficiency in tax and Penalty	Appellate determination (thousand dollars): Overassessment
Disposed of, total	11,947	275,198	NA
By stipulated agreement	8,671	153,841	
By dismissal by the Tax Court or taxpayer default	1,534	12,102	
Tried before the Tax Court on the merits [2]	1,742	109,255	

[1] Unadjusted for cases transferred to Counsel under Rev. Proc. 78-9.
[2] Represents amounts petitioned.

Table 17.—District Conference Activity

	Revenue Agents	Tax Auditors	FY 1978 Total
Cases Pending October 1	8,079	7,818	15,897
Cases Received	16,776	30,673	47,449
Conference Completed	16,771	30,119	46,890
Number Agreed	10,145	22,146	32,291
Agreed as percent of Total	60.5	73.5	68.9
Cases pending September 30	8,084	8,215	16,299

Table 18.—Workflow in the Internal Revenue Service and the courts, fiscal years 1977 and 1978

	Returns	
	1977	1978
Tax returns filed, total	**133,522,404**	**136,718,328**
Individual income tax	85,607,715	87,386,093
Declaration of estimated tax	8,088,480	8,102,814
Fiduciary	1,662,702	1,732,207
Partnership	1,164,885	1,205,035
Corporation income tax	2,247,947	2,349,142
Estate tax	248,316	160,152
Gift tax	286,802	195,194
Employment taxes	25,023,916	25,541,364
Exempt Organization	554,166	516,525
Employee Plans	1,286,957	1,243,137
ATF Returns	563,984	551,572
Excise Taxes	909,809	907,758
Supplemental Documents	5,876,725	6,827,335
Income, Estate and Gift		
Number or returns examined by Examination Division	2,125,160	2,090,129
Returns with adjustments proposed by Examination Division	1,611,579	1,526,553
Disposed of by Examination Division:		
Agreed, Paid or Defaulted	1,562,573	1,477,312
Transferred to Appellate	33,444	34,626
Other	15,562	14,615
Civil Tax Cases		
Courts of Original Jurisdiction Tax Court:		
Total Petitioned to Tax Court	12,268	13,284
Dismissed	1,390	1,563
Settled by Stipulation	7,483	8,722
Closed by Tax Court decision	1,256	1,212
District Courts and Court of Claims:		
Total filed in District Courts and Court of Claims	1,152	1,029
Settled in District Courts and Court of Claims (Includes Dismissals)	446	486
Decided by District Courts and Court of Claims	451	447
Courts of Appeals:		
Settled by Courts of Appeals decision	237	254
Favorable to government	164	183
Favorable to taxpayer	40	34
Modified	33	37
Supreme Court:		
Taxpayer petitions for certiorari:		
Granted	4	3
Denied	39	35
Government petitions for certiorari:		
Granted	1	1
Denied	—	—
Settled by Supreme Court decision	5	6
Fraud Cases		
Cases initiated by Intelligence Division	8,901	9,481
Disposed of by Intelligence Division:		
Prosecution recommended	3,408	3,439
Prosecution not recommended	5,459	5,969
Disposed of by Office of Chief Counsel:		
Prosecution not warranted, including cases declined by the Department of Justice	486	597
Prosecutions	2,161	2,153

Table 19.—Amounts of revenue involved at each level of the tax system fiscal years 1977 and 1978
(Million dollars)

Item	1977	1978
Internal revenue collections, total	358,139	399,776
Individual income taxes, total	186,755	213,058
Withholding	144,672	165,254
Other	42,083	47,804
Corporation income taxes	60,050	65,380
Estate and gift taxes	7,425	5,381
Employment taxes	86,076	97,292
Excise taxes	17,833	18,665
Income, Estate, and Gift Taxes Civil Cases		
Tax and penalties determined by settlement in Tax Court	127	154
Tax and penalties determined by Tax Court decisions:		
Dismissed	13	13
Decision on merits	28	27
Tax and penalties determined in cases decided by the Supreme Court and Courts of Appeals	7	20
Amount in dispute but not refunded to taxpayers as a result of final action on refund suits	41	50
Fraud Cases		
Deficiencies and penalties in cases disposed of in intelligence divisions:		
Prosecution recommended	414	687
Prosecution not warranted	10	3

Table 20.—Requests for tax rulings and technical advice (closings) 1978

Subject	Total	Taxpayers' Requests	Field Requests
Total	10,708	9,794	914
Actuarial Matters	2,272	2,252	20
Exempt Organizations	3,125	2,861	264
Employees Plans	5,311	4,681	630

Table 20A.—Determination letters issued on ERISA employee benefit plans, fiscal year 1978

Letters Issued	Stock Bonus	Money Purchase	Profit Sharing	TRASOP	Bond Purchase	Total Defined Contribution	Defined Benefit	Total
A) Initial Qualifications:								
1) Qualified	843	18,628	28,634	194	214	48,513	8,853	57,366
Participating Employees	1,117,392	184,993	1,091,736	185,929	316	2,580,366	1,528,462	4,108,828
2) Not Qualified	1	10	13	1	—	25	3	28
B) Amendments:								
1) Qualified	594	31,207	62,686	62	371	94,920	37,983	132,903
2) Not Qualified	—	3	20	—	—	23	8	31
C) Terminations:								
1) Qualified	30	3,152	7,386	3	6	10,577	4,486	15,063
2) Not Qualified	—	11	22	—	—	33	10	43

Table 20B.—Number of returns examined by type of exempt organization

		FY 1978
501(c)(3)	Private Foundation	2,767
	Non-Exempt Charitable Trust	84
501(c)(3)	All Others	4,202
501(c)(4)	Civic Leagues, Social Welfare	1,802
501(c)(5)	Labor, Agriculture, Horticulture	910
501(c)(6)	Business Leagues	2,343
501(c)(7)	Social and Recreational Clubs	1,511
501	All Others	2,910
521	Farmer's Cooperative	709
Total		17,238

Table 20C.—Number of active entities on exempt organizations master file as of 9-30-78 and 9-30-77 (individual and group)

IRC Section (501(c))	9-30-77	9-30-78
(1) Corporations Organized Under Act of Congress	1,072	[1] 25
(2) Titleholding Corp	5,223	5,272
(3) Religious, Charitable, etc	276,455	293,947
(4) Social Welfare	129,496	125,317
(5) Labor, Agriculture Organizations	87,656	87,531
(6) Business Leagues	44,100	45,325
(7) Social and Recreation Clubs	50,031	49,964
(8) Fraternal Beneficiary Societies	141,138	140,963
(9) Voluntary Employee's Beneficiary Societies	6,486	6,827
(10) Domestic Fraternal Beneficiary Societies	12,410	12,199
(11) Teachers Retirement Fund	13	11
(12) Benevolent Life Insurance Assn	4,801	4,863
(13) Cemetery Companies	5,264	5,529
(14) Credit Unions	5,074	5,118
(15) Mutual Insurance Companies	1,450	1,408
(16) Corp. to Finance Crop Operation	31	28
(17) Supplemental Unemployment Benefit Trusts	800	807
(18) Employee Funded Pension Trust	4	4
(19) War Veterans' Organizations	14,305	21,233
(20) Legal Service Organizations	—	4
501(d) Religious and Apostolic Organizations	63	67
521 Farmers' Cooperatives	3,794	3,606
Total	789,666	810,048

[1] Figure is estimate at this time. The 9/30/77 figure of 1,072 is erroneous based on organizations' improper classification based on their response to a questionnaire which was used to initially establish the master file.

Table 20D.—Exempt organizations disposal of applications during fiscal year 1978

IRC Section 501(c)	Applications for Determination			
	Approved	Denied	Other [1]	Total
(1) Corporations Organized Under Act of Congress	6	1	5	12
(2) Titleholding Corp	189	9	112	310
(3) Religious, Charitable, etc	24,879	1,402	7,278	33,559
(4) Social Welfare	2,666	113	1,002	3,781
(5) Labor, Agriculture Org	558	27	101	686
(6) Business Leagues	1,867	102	417	2,386
(7) Social and Recreation Clubs	1,682	160	829	2,671
(8) Fraternal Beneficiary Societies	27	7	27	61
(9) Voluntary Empl. Beneficiary Societies	598	2	57	657
(10) Domestic Fraternal Societies	32	1	56	89
(11) Teachers' Retirement Fund	—	—	—	—
(12) Benevolent Life Insurance Assn	144	14	102	260
(13) Cemetery Companies	279	6	39	324
(14) Credit Unions	30	—	1	31
(15) Mutual Ins. Companies	13	1	3	17
(16) Corp. to Finance Crop Oper	—	—	—	—
(17) Supplemental Unemployment Benefit Trusts	59	—	3	62
(18) Employee Funded Pension Trust	—	—	—	—
(19) War Veterans' Org	87	—	26	113
(20) Legal Service Org	6	1	1	8
501(d) Apostolic and Religious Org	1	—	—	1
501(f) Coop Service Org. of Operating Educational Org	—	—	1	1
521 Farmers' Cooperatives	84	6	36	126
National Office Rulings or Determination Letters	2,007	340	514	2,861
Less Transfers to District Offices	—	—	—256	—256
Grand Total	35,214	2,192	10,354	47,760

[1] Applications withdrawn by taxpayer, incomplete applications, etc.

Table 21.—Tax withheld from payments to foreign persons of treaty and nontreaty countries—calendar year 1976 (In thousands of dollars)

Country	Total 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	3,395,359	482,024	412,768	69,256	652,038
Treaty countries, total	3,076,360	430,382	361,126	69,256	531,238
Australia [1]	10,111	2,045	2,045	—	7,087
Austria	6,469	657	657	—	5,500
Belgium	113,388	10,678	8,430	2,248	14,785
Former Belgian o/s Territories [2]	55	4	4	—	105
Canada	716,562	135,427	123,577	[3] 11,850	283,103
Denmark	15,488	253	249	4	2,218
Finland	481	27	27	—	351
France [1]	267,302	26,698	26,391	307	15,383
Federal Republic of Germany	92,351	9,619	9,619	—	53,638
Greece	3,561	613	613	—	3,682
Iceland	37	11	11	—	17
Ireland	5,348	681	681	—	4,054
Italy	18,205	2,233	2,233	—	11,965
Japan	87,467	11,164	11,164	—	4,689
Luxembourg	24,660	4,881	4,422	459	4,991
Netherlands	350,779	32,971	32,476	495	12,791
Netherlands Antilles	216,462	5,520	5,517	3	1,338
New Zealand [1]	1,953	306	306	—	1,475
Norway	3,626	405	405	—	3,556
Pakistan	413	35	35	—	224
Poland	285	27	27	—	115
Romania	55	8	8	—	30
South Africa	2,244	602	602	—	2,033
Sweden	19,382	1,651	1,651	—	5,206
Switzerland	628,156	126,568	73,062	53,506	29,257
Trinidad and Tobago	121	18	18	—	291
USSR	104	28	28	—	110
United Kingdom [1]	488,018	56,816	56,432	384	62,224
Former U.K. o/s Territories [2]	3,277	436	436	—	1,095
Nontreaty countries	319,999	51,642	51,642	—	120,800

[1] Also includes dependencies covered by tax treaties.
[2] Includes former territories which have become independent countries.
[3] 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 22.—Internal revenue collections, costs, employees, and U.S. population, 1949 through 1978

Fiscal year	Operating cost	Collections	Cost of collecting $100	Population (Thousands)	Tax per capita	Average positions realized: Total	Average positions realized: National Office	Average positions realized: Field
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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	55,805	4,208	51,597
1952	271,872,192	65,009,585,560	0.42	157,553	412.62	56,309	3,953	52,356
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	2,832	48,532
1958	337,428,789	79,978,476,484	0.42	174,882	457.33	50,816	2,909	47,907
1959	355,469,228	79,797,972,806	0.44	177,830	448.73	51,226	2,969	48,257
1960	363,735,359	91,774,802,823	0.40	180,671	507.96	51,047	2,910	48,137
1961	413,295,238	94,401,086,398	0.44	183,691	513.91	53,206	3,042	50,164
1962	450,080,420	99,440,839,245	0.45	186,538	533.09	56,481	3,401	53,080
1963	500,804,314	105,925,395,281	0.47	189,242	559.74	59,711	3,657	56,054
1964	549,692,131	112,260,257,115	0.49	191,889	585.03	61,059	3,839	57,220
1965	597,387,471	114,434,633,721	0.52	194,303	588.95	62,098	3,881	58,217
1966	624,861,929	128,879,961,342	0.48	196,560	655.68	63,508	3,982	59,526
1967	667,080,295	148,374,814,552	0.45	198,712	746.68	65,946	3,894	62,052
1968	699,190,304	153,636,837,665	0.46	200,706	765.48	67,574	3,967	63,607
1969	758,785,475	187,919,559,668	0.40	202,677	927.19	66,064	3,862	62,202
1970	886,159,162	195,722,096,497	0.45	204,878	955.31	68,683	4,103	64,580
1971	981,065,297	191,647,198,138	0.51	207,053	925.63	68,972	4,358	64,614
1972	1,127,390,411	209,855,736,878	0.54	208,846	1,004.83	68,549	4,134	64,415
1973	1,162,009,945	237,787,204,058	0.49	210,410	1,130.11	74,170	4,505	69,665
1974	1,312,894,661	268,952,253,663	0.49	211,901	1,269.24	78,921	4,310	74,611
1975	*1,584,711,486	293,822,725,772	0.54	213,559	1,375.84	82,339	4,531	77,808
1976	*1,667,311,689	302,519,791,922	0.56	215,142	1,406.14	84,264	4,732	79,532
1977	*1,790,588,738	358,139,416,730	0.50	217,329	1,647.91	83,743	4,994	78,749
1978	*1,962,129,287	399,776,389,362	0.49	219,033	1,826.61	85,329	4,919	80,410

*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.
Economic Stabilization Program average positions included in 1972, 1973, and 1974.
Federal Energy Program average positions included in 1974.
1972 adjusted by 3,990 average positions to reflect the AT&F transfer—July 1973. AT&F included in years 1948-71.
Eleven average positions transferred to office of the Secretary in 1965. Twenty average positions transferred to office of the Secretary in 1963.

Table 23.—Obligations incurred by IRS by appropriation and activity

(In thousands of dollars)

Appropriation by Activity	Total 1977	Total 1978	Personnel Compensation and Benefits 1977	Personnel Compensation and Benefits 1978	Other 1977	Other 1978
Total obligations, appropriations and reimbursable	1,810,445	1,974,856	1,430,313	1,545,735	380,132	429,121
Obligations against appropriated funds	1,790,588	1,962,129	1,412,276	1,535,528	378,312	426,601
Salaries & Expenses:						
Total	49,365	53,653	40,822	44,176	8,543	9,477
Executive Direction	21,311	23,360	17,711	19,264	3,600	4,096
Internal Audit & Security	28,054	30,293	23,111	24,912	4,943	5,381
Accounts, Collection & Taxpayer Service:						
Total	849,515	922,407	618,760	664,750	230,755	257,657
Data Processing Operations [1]	448,664	497,861	338,265	371,433	110,399	126,428
Statistical Reporting	12,653	13,867	9,908	10,661	2,745	3,206
Collection	246,458	256,383	204,153	212,934	42,305	43,449
Taxpayer Service	141,740	154,296	66,434	69,722	75,306	84,574
Compliance:						
Total	891,708	986,069	752,694	826,602	139,014	159,467
Audit of Tax Return	632,050	695,071	530,790	578,919	101,260	116,152
Employee Plans	35,816	39,271	31,111	33,943	4,705	5,328
Tax Fraud & Special Investigations	105,332	120,407	86,757	98,896	18,575	21,511
Exempt Organizations	20,433	23,413	17,593	19,986	2,840	3,427
Taxpayer Conferences & Appeals	38,262	39,171	33,699	35,134	4,563	4,037
Technical Rulings & Services	19,395	21,270	16,926	18,474	2,469	2,796
Legal Services	40,420	47,466	35,818	41,250	4,602	6,216
Reimbursable obligations, Total	19,857	12,727	18,037	10,207	1,820	2,520

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

Table 24.—Staff years authorized and realized [1]

Appropriation	Authorized 1977	Authorized 1978	Realized 1977	Realized 1978	Percentage Realized 1977	Percentage Realized 1978
Salaries and Expenses	1,821	1,864	1,834	2,079	100.7	111.5
Accounts, Collection & Taxpayer Svc.	44,173	44,325	44,683	44,795	101.2	101.06
Compliance	38,346	38,739	37,226	38,455	97.1	99.266
Total	84,340	84,928	83,743	85,329	99.3	100.472
Increase, Decrease 1978 over 1977	—	+588	—	+401	—	—

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

Table 25.—Costs incurred by the Internal Revenue Service—Fiscal year 1978

(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	1,974,856	1,545,735	55,407	10,924	362,790
National Office	383,703	120,718	3,701	3,610	255,674
North-Atlantic	277,769	254,797	4,839	1,322	16,812
Mid-Atlantic	191,516	174,267	4,640	1,321	11,288
Southeast	205,433	181,149	7,871	1,178	15,234
Central	164,157	147,494	5,635	625	10,403
Midwest	190,270	171,721	6,658	656	11,235
Southwest	181,925	161,325	8,189	983	11,428
Western	280,159	250,966	9,454	831	18,908
Regional Counsel	27,862	26,200	405	276	982
Regional Inspection	23,495	20,719	2,024	74	677
Office of International Operations	12,116	9,253	1,830	24	1,009
National Computer Center	12,058	6,669	48	6	5,335
IRS Data Center	24,392	20,456	113	20	3,803
B. Regional commissioner's offices (excluding district director's offices and service centers)					
North-Atlantic	14,818	13,587	212	74	945
Mid-Atlantic	11,461	9,917	231	220	1,094
Southeast	10,085	8,640	314	26	1,105
Central	9,627	8,599	235	45	748
Midwest	10,889	9,256	352	53	1,228
Southwest	9,598	8,735	338	51	473
Western	15,337	12,520	560	424	1,833
C. Regional costs undistributed					
North-Atlantic	980	—	925	—	56
Mid-Atlantic	1,292	—	1,185	—	107
Southeast	2,222	—	2,155	—	67
Central	1,638	—	1,599	—	40
Midwest	1,584	—	1,516	—	67
Southwest	2,180	—	2,098	—	82
Western	2,671	—	2,500	—	171
D. District director's offices and service centers:					
North-Atlantic:					
Albany	8,220	7,310	259	98	553
Augusta	4,480	4,095	173	14	198
Boston	30,279	28,125	574	140	1,440
Brooklyn	31,746	30,155	406	184	1,001
Buffalo	18,449	17,036	457	47	909
Burlington	2,564	2,310	109	15	131
Hartford	15,466	14,366	357	139	604
Manhattan	61,946	59,230	661	300	1,755
Portsmouth	4,027	3,707	113	24	183
Providence	5,758	5,245	116	98	299
North-Atlantic Region Centralized Tr.	231	—	230	—	1
Andover Service Center	37,387	32,780	145	124	4,338
Brookhaven Service Center	41,418	36,851	102	65	4,400
Mid-Atlantic:					
Baltimore	25,380	23,951	434	125	870
Newark	39,814	37,290	887	242	1,395
Philadelphia	32,346	30,328	611	221	1,186
Pittsburgh	16,599	15,344	360	110	785
Richmond	17,019	15,279	625	217	898
Wilmington	3,822	3,616	68	6	133
Mid-Atlantic Form Distribution Center	464	401	1	6	56
Mid-Atlantic Region-Centralized Tr.	137	—	136	—	1
Philadelphia Service Center	43,183	38,142	102	175	4,764
Southeast:					
Atlanta	23,948	21,444	1,093	192	1,219
Birmingham	11,038	10,036	466	69	467
Columbia	8,098	7,260	331	144	363
Greensboro	17,582	15,933	828	100	721
Jackson	7,240	6,454	343	102	341
Jacksonville	41,503	37,457	1,402	270	2,374
Nashville	14,222	12,918	583	45	676
Southeast Region-Centralized Tr.	188	—	188	—	—
Atlanta Service Center	34,823	30,479	79	135	4,130
Memphis Service Center	34,486	30,529	90	95	3,772

Table 25.—Costs incurred by the Internal Revenue Service—Continued

(In thousands of dollars)

Internal revenue office, district, or region	Total	Personnel Compensation	Travel	Equipment	Other
	(1)	(2)	(3)	(4)	(5)
Central:					
Cincinnati	18,559	17,022	498	121	917
Cleveland	25,619	23,637	651	70	1,261
Detroit	36,183	33,420	1,040	91	1,632
Indianapolis	17,880	16,180	617	49	1,034
Louisville	11,401	10,357	413	78	552
Parkersburg	6,172	5,522	269	27	353
Central Region-Centralized Training	180	—	180	—	1
Cincinnati Service Center	36,899	32,756	134	144	3,865
Midwest:					
Aberdeen	3,038	2,682	213	11	132
Chicago	45,401	42,779	961	103	1,558
Des Moines	10,736	9,710	443	46	537
Fargo	2,910	2,573	164	2	171
Milwaukee	15,032	13,940	468	32	592
Omaha	7,337	6,513	351	22	450
St. Louis	23,594	21,809	812	42	931
St. Paul	18,176	16,683	644	53	796
Springfield	11,455	10,416	491	22	526
Midwest Region-Centralized Training	147	—	147	—	*
Kansas City Service Center	39,970	35,360	95	269	4,246
Southwest:					
Albuquerque	4,966	4,505	215	32	215
Austin	32,383	29,338	1,422	325	1,297
Cheyenne	2,572	2,244	204	20	103
Dallas	31,532	28,509	1,138	135	1,749
Denver	13,591	12,050	568	79	894
Little Rock	7,728	6,862	384	31	451
New Orleans	14,418	13,154	547	63	654
Oklahoma City	13,307	12,075	562	101	569
Wichita	9,967	9,125	415	37	390
Southwest Region-Centralized Training	204	—	203	—	1
Austin Service Center	39,479	34,727	95	109	4,548
Western:					
Anchorage	4,427	3,880	283	8	257
Boise	4,297	3,880	218	3	197
Helena	3,685	3,308	221	5	152
Honolulu	4,947	4,593	139	6	210
Los Angeles	67,109	62,580	1,821	50	2,659
Phoenix	10,073	9,261	359	7	447
Portland	10,511	9,466	423	19	602
Reno	6,893	6,332	223	14	323
Salt Lake City	4,982	4,612	152	1	216
San Francisco	43,614	40,109	1,262	107	2,136
Seattle	16,602	15,228	611	36	727
Western Region-Centralized Training	340	—	334	—	6
Ogden Service Center	40,593	35,960	155	71	4,407
Fresno Service Center	44,077	39,237	193	80	4,567

Table 26.—Personnel Summary—Fiscal year 1978

Location and type	Average positions realized 1977	Average positions realized 1978	Number employees at close of year 1977	Number employees at close of year 1978
Service total	85,727	86,258	84,414	81,505
Permanent	69,848	71,444	70,598	70,942
Temporary	15,879	14,814	13,816	10,563
National Office[1]	5,025	4,973	4,662	4,592
Regional Offices[2]	80,702	81,285	79,752	76,913
Data Processing Operations	28,517	27,969	26,493	24,201
Collection	10,881	10,412	10,709	10,259
Revenue Officers	6,201	5,924	6,075	5,784
Other	4,680	4,488	4,634	4,475
Taxpayer Service	3,922	4,313	4,082	3,711
Taxpayer Service Specialists	589	624	—	651
Taxpayer Service Representatives	1,147	1,081	1,098	1,097
Other	2,186	2,608	2,984	1,963
Audit of Tax Returns	25,810	26,254	26,389	26,427
Revenue Agents	13,635	13,927	14,083	13,959
Office Auditors	4,545	4,617	4,686	4,725
Other	7,630	7,710	7,620	7,743
Employee Plans/Exempt Organizations	1,878	1,956	1,922	1,887
EP/EO Technicals	1,355	1,363	1,358	1,259
Other	523	593	564	628
Taxpayer Conferences and Appeals	1,181	1,193	1,196	1,207
Appeals Officers	566	565	572	558
Auditors	116	116	118	113
Other	499	512	506	536
Tax Fraud and Special Investigations	3,575	3,911	3,864	3,914
Special Agents	2,555	2,779	2,787	2,764
Other	1,020	1,132	1,077	1,150
Administration Management	3,131	3,374	3,253	3,288
Regional Counsel	946	1,036	992	1,103
Regional Inspection	861	867	852	916

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 the Data Center.

Table 27.—Quantity and cost statistics for printing

Class of Work	Quantity (1,000 items) Tax Packages	Quantity (1,000 items) Other Printing FY-78	Cost (1,000 Dollars) FY-78
1. Tax Packages (1978):			
Package 1 (Form 1040, Instructions, Schedules A & B.—52 pages)	23,756	—	2,574
Package 2 (Form 1040, Schedules A & B, D, E, R, and Instructions—68 pages)	11,332	—	1,455
Package 3 (Form 1040, Schedules A & B, C, D, E, R, F, SE, and Instructions—76 pages)	8,857	—	1,224
Package 4 (Form 1040, Schedules A & B, C, D, E, R, F, SE, Forms 3468, 4136, 4797, and Instructions—92 pages)	2,642	—	547
Package 1040A (Form 1040A and Instructions—32 pages)	38,182	—	2,188
Package 1065 (Form 1065, Sch. K-1, Form 4797 & Instructions—52 pages)	1,850	—	217
Package 1120 (Form 1120, Sch. D, Form 1120W, 3468, 4797, 4874, 7004, and Instructions—40 pages)	2,180	—	198
2. Employment Tax Packages:			
Pub. 393 (1978)	5,809	—	668
Total cost of Tax Returns & Instructions for Major Mailing to Taxpayers	—	—	9,071
3. Other Tax Returns, Instructions, Public Use Forms & Pamphlets	—	3,721,760	23,164
4. Administrative Forms and Pamphlets	—	687,414	9,615
5. Field Printing	—	454,727	3,409
Grand Total	94,608	4,863,901	45,259

Chronological List

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

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

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

Raymond F. Harless of California
from May 1 to May 25, 1973

William E. Williams of Illinois
from Feb. 27 to May 4, 1977.

Principal Officers of the Internal Revenue Service as of September 30, 1978

National Office

Commissioner
Jerome Kurtz

Deputy Commissioner
William E. Williams

Assistant to the Commissioner
Marvin Katz
Lauralee Matthews
David F. P. O'Connor

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

Assistant to the Deputy Commissioner
Alvin H. Kolak

Taxpayer Service and Returns Processing

Assistant Commissioner
James I. Owens

Deputy Assistant Commissioner
Donald J. Porter

Division Directors:
Program Planning and Review
Suellen P. Hamby
Returns Processing & Accounting
Russell E. Dyke
Taxpayer Service
Stanley Goldberg
Disclosure Operations
Howard T. Martin
Tax Administration Advisory Services
Gordon C. Hill, Jr.

Resources Management

Assistant Commissioner
Joseph T. Davis

Deputy Assistant Commissioner
Alan A. Beck

Division Directors:
Facilities Management
Leo C. Inglesby
Fiscal Management
Joseph F. Kump
Personnel
Anthony W. D'Amato
Training and Development
Orion L. Birdsall
Security Standards and Evaluation
Dominick J. Lantonio
National Office Resources Management
Vacant
Equal Employment Opportunity Officer
Barbara Thompson

Compliance

Assistant Commissioner
S. B. Wolfe

Deputy Assistant Commissioner
Donald E. Bergherm

Division Directors:
Appellate
Roydell S. Rosfeld
Examination
John L. Wedick, Jr.
Criminal Investigation
Thomas J. Clancy
Office of International Operations
Joseph G. McGowan
Collection
Kenneth E. Luke

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
S. Allen Winborne

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 Management 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
Vacant

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

Deputy Chief Counsel (General)
Stephen M. Miller (*Acting*)

Deputy Chief Counsel (Litigation)
David R. Brennan

Deputy Chief Council (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
Robert W. Schafer
Disclosure Litigation
James J. Keightley
Employee Plans & Exempt Organizations
George H. Jelly
General Legal Services
George J. Shaw, Jr.
General Litigation
Harold T. Flanagan
Interpretative
Jerome D. Sebastian
Legislation and Regulations
Robert A. Bley
Tax Litigation
John H. Menzel (*Acting*)

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:
Taxpayer Service & Returns Processing
L. Stanley Baker
Resources Management
Billy J. Brown
Appellate
Claude C. Rogers, Jr.
Examination
Jack P. Chivatero
Criminal Investigation
Richard C. Herman
Collection
Charles F. Jones

District Directors:
Cincinnati, Ohio 45201
Dwight L. James, Jr.
Cleveland, Ohio 44199
Everett Lowry
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:
Collection
Leroy C. Gay
Resources Management
Americo P. Attorri
Appellate
Reuben H. Saideman
Examination
Paul H. Thornton
Employee Plans/Exempt Organizations
James J .Casimir
Criminal Investigation
Robert L. Browne
Taxpayer Service & Returns Processing
Vacant

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:
Taxpayer Service & Returns Processing
John Ader
Resources Management
David S. Burckman
Appellate
Bernard L. Hardiek
Compliance
Leon Moore

District Directors:
Aberdeen, SD 57041
John B. Langer
Chicago, IL 60604
Charles F. Miriani
Des Moines, IA 50309
Michael J. Murphy
Fargo, ND 58102
Gerard R. Esposito
Milwaukee, WI 53202
Lawrence M. Phillips
Omaha, NB 68102
Mitchell E. Premis, Jr.
Springfield, IL 62704
Ira S. Loeb
St. Louis, MO 63101
Richard C. Voskuil
St..Paul, MN 55101
C. Dudley Switzer

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

Regional Counsel
Dennis J. Fox
219 S. Dearborn St., Chicago, IL 60604

Regional Inspector
John J. 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:
Taxpayer Service & Returns Processing
Marshall P. Cappelli
Resources Management
Harry J. Bodkin
Appellate
Richard E. Fogwell
Examination
Joseph Slipowitz
Criminal Investigation
Raymond C. Turner
Collection
Vacant

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
Vacant
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
Charles E. Roddy

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

Director, Brookhaven Service Center, Holtsville, NY 11799
Thomas J. Laycock

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:
Taxpayer Service & Returns Processing
William B. Hartlage
Resources Management
Vacant
Appellate
Tully Miller
Examination
Philip J. Sullivan
Employee Plans/Exempt Organizations
Billy M. Hargett
Criminal Investigation
Anthony V. Langone
Collection
Vacant

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 E. Douglas

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 Commissioners:
Taxpayer Service & Returns Processing
Joseph E. Bishop
Resources Management
Raymond Astumian
Appellate
Douglas M. Moore
Examination
Percy P. Woodard, Jr.
Criminal Investigation
John M. Rankin, Jr.
Collection
Vacant

District Directors:
Albuquerque, NM 87101
Francis L. Browitt
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
Carolyn K. Leonard

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:
Taxpayer Service & Returns Processing
John D. Johnson
Resources Management
Kenneth G. Rivett
Appellate
James C. Stigamire
Examination
Elmer Kletke
Criminal Investigation
Richard C. Wassenaar
Collection
Vacant

District Directors:
Anchorage, AK
Frank R. Berria
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
Michael D. Sassi
Seattle, WA 98174
Arturo A. Jacobs

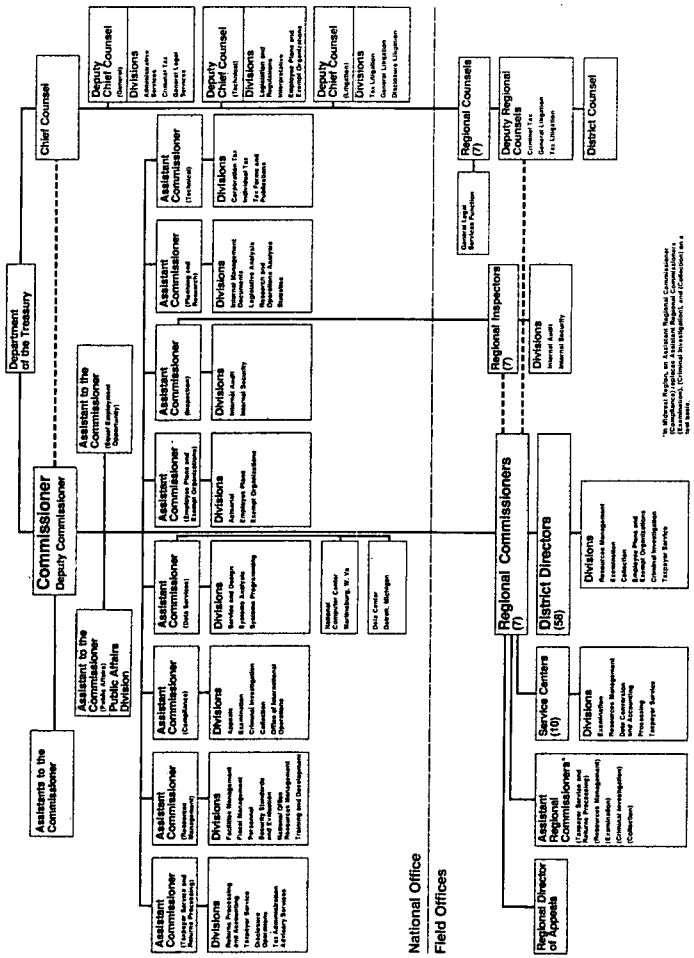
Director, Fresno Service Center, Fresno, CA 93888
Frederic F. Perdue

Director, Ogden Service Center, Ogden, UT 8442
Robert H. Terry

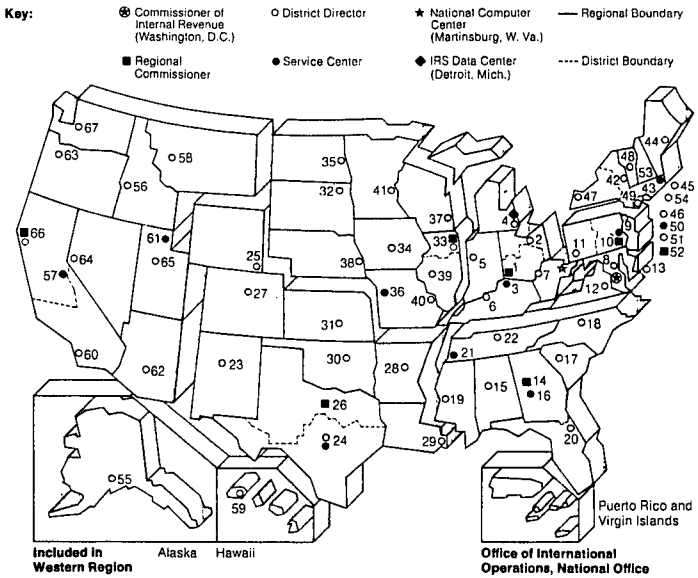
Regional Counsel
Emory L. Langdon
Two Embarcadero Center, San Francisco, CA 94111

Regional Inspector
Billy G. Morrison

Organization Chart



Map of the Regions, Districts, and Service Centers



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.

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