ANNUAL REPORT
1987

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NOTE:

Statistical data used in the text and tables of this volume are on a fiscal year basis, unless otherwise noted. For example, data headed "1987" pertain to the fiscal year ended Sept. 30, 1987.

Graphs, charts and text figures have been rounded and may not compute precisely compared to the statistical tables, which are based on unrounded figures.

INTERNAL REVENUE SERVICE
ANNUAL REPORT 1987

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1987 was a year of exceptional challenge for the Internal Revenue Service. In addition to processing record numbers of tax returns, collecting record amounts of tax, and continuing to enforce the tax laws, we were responsible for implementing the Tax Reform Act of 1986, legislation that fundamentally changed our tax system.

Traditionally, when a new tax law passes, we inherit the task of describing to American taxpayers their responsibilities under the new law. This report details our rather extraordinary efforts to provide guidance and assistance under the new law. Working with their counterparts in Treasury's Office of Tax Policy, our attorneys have produced a large volume of regulations, revenue rulings, revenue procedures, notices, announcements, and other forms of guidance. In the case of tax reform, descriptions and definitions are not easily written, nor can they be quickly written. The constant challenge is to balance taxpayers' urgent need for guidance with quality work we can all be proud of in years to come.

Recognizing that this law is different from those in the past, we have approached its implementation in altogether different ways. Our approach has been to include taxpayers and their representatives in our planning and implementation efforts and to rework our forms, publications and programs based on what we learned from them. Driving everything we said and did was our commitment to quality performance and customer service.

But the challenge of *implementing* tax reform is not the exclusive domain of IRS. Capitalizing on the opportunity of tax reform requires a partnership effort among taxpayers, their representatives, *and* tax administrators. And more than any other year in IRS' 125-year history, 1987 was the year we articulated the need for partnership, laid its groundwork and produced some excellent results.

Partnership became a watchword for internal communications, and cooperation as well. Examples include:

- IRS management and union officials reached a historic agreement to create a joint quality improvement process, one that will tap the creativity and experience of all employees and help us work together to improve the quality of our work lives.
- IRS offices all across the country are moving forward with quality improvement projects, projects that identify local and national problem areas, methodically investigate the root causes of problems, and recommend ways to resolve the problems and improve the way we do business. An early beneficiary of quality improvement techniques has been our federal tax deposit system. Ongoing projects include: revamping our taxpayer service program, improving customer service in our automated collection sites, providing one-stop assistance to taxpayers and practitioners on taxpayer account problems, extending telephone assistance hours, looking at the reasons for repeat correspondence with taxpayers who are responding to our computer-generated notices, doing exit interviews with taxpayers about the quality of our service, and addressing tough employee recruiting and retention problems.

- Recognizing that our Counsel's legal skills need not be confined to litigation, we looked for ways our attorneys could lend their legal assistance in cases that are significant in terms of the amount of dollars collected or the legal issues identified. We anticipate that our attorneys will assume a greater role in helping us identify key issues as part of the industry specialization program and in other large cases.

The Tax Reform Act of 1986 effectively halted the proliferation of abusive tax shelters, but in 1987 reducing the pre-tax reform inventory continued to be a major preoccupation of the Counsel side of our operation. Finding administrative opportunity within the existing system, we pushed back the timing of the merits-based settlement offers to the examination stage. We were not interested in settling cases prematurely or conceding too much. Offers were based on how we determined the case might be decided in the courts. We cautioned taxpayers that offers would not improve with time. Indications are that many taxpayers are opting for settling sooner rather than later.

Tax reform implementation occupied much of our time and talent this past year, but it definitely was not our only priority. The pages of this report reflect new and better ways to educate and help taxpayers. They detail a host of compliance programs designed to ensure that everybody pays a fair share of taxes, such as our international tax enforcement effort that recognizes the impact of a global economy and our increasing reliance on sophisticated technology. We are looking beyond tax reform implementation to managing a tax system that will be adequate at the turn of this century and beyond.

In the very near future, the economic challenges facing our nation will put the Service to its toughest test. We are committed to facing that future not only with enhanced technical skills and state-of-the-art technology, but with considerable respect for American taxpayers and an unshakable commitment to serving them with first-rate quality work and customer service.

Lawrence B. Gibbs,
Commissioner

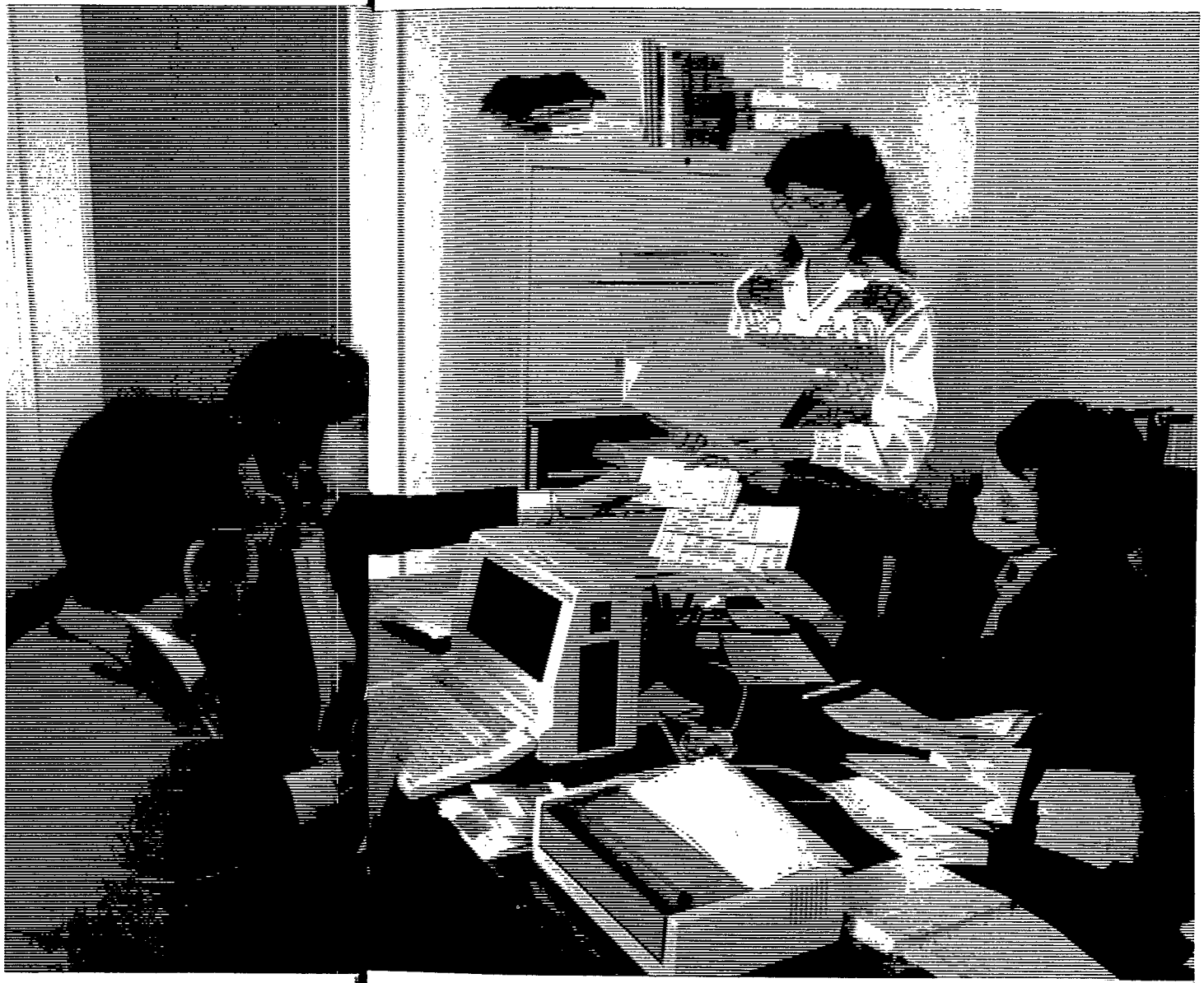
William F. Nelson,
Chief Counsel

COLLECTING THE REVENUE

Collecting taxes has never been popular throughout our history. However, Oliver Wendell Holmes explained it well, when he said, "Taxes are the price we pay for a civilized society." Without taxes our Federal government could not exist and our country could not survive.

The Internal Revenue Service is responsible for collecting our taxes in a fair and reasonable manner. It administers the tax laws passed by the Congress. To collect the taxes required by the law, IRS has set up an automated system which maintains tax accounts for all taxpayers.

Each year taxpayers mail their returns to an IRS service center where technicians check returns for mathematical accuracy, ensure that all necessary information has been furnished, and take necessary actions to correct any errors on returns.



RETURNS RECEIVED

IRS service centers processed 193 million federal tax returns and supplemental documents in 1987—a 2.7 percent increase over the 188 million processed in 1986.

Over 86 million or 44.7 percent of all returns received were individual tax returns Forms 1040 and 1040A. More than 16 million individual taxpayers—16.3 percent of all individual filers—used the simplified Form 1040EZ, compared to about 17 million in 1986, a decrease of 1.1 percent. The number of individual taxpayers filing Form 1040 increased 2.8 percent from 66.7 million to 68.6 million this year. (See statistical table 6 for details.)

The major emphasis in the returns processing program in 1987 was error prevention. "Quality improvement teams" of managers reviewed both operations and end products to identify procedures, instructions, or other problems in the system that might cause errors.

TAX RECEIPTS

Gross revenue receipts, up 13.3 percent over 1986, rose to $886.3 billion this year, an increase of $104 billion. Individual and corporation income tax collections accounted for almost two-thirds of the total receipts. Individual tax receipts totaled $465.5 billion, an increase of 11.6 percent over last year. Corporation tax receipts rose 27.9 percent to $102.9 billion.

Employment taxes (social security, self-employment, federal unemployment and railroad retirement), which were 31.3 percent of the total revenue, hit $277 billion, another record high for more than six years in a row.

Excise taxes totaled $33.3 billion, a decrease of 1.1 percent compared to last year. (See statistical tables 1, 2, and 3 for details.)

NUMBER OF RETURNS FILED BY PRINCIPAL TYPE OF RETURN

(Figures in thousands. For details see statistical table 6.)

Type of return	1986	1987
Grand total	188,017	193,156
Income tax, total	145,696	150,309
Individual	102,393	103,460
Declaration of estimated tax	35,485	38,804
Fiduciary	2,305	2,336
Partnership	1,845	1,836
Corporation	3,667	3,873
Estate tax	72	61
Gift tax	103	105
Employment tax	27,921	28,233
Exempt organizations	487	523
Employee plans	2,142	2,114
Alcohol, tobacco and firearms	520	492
Excise tax	1,265	1,011
Supplemental documents[1]	9,795	10,301
Non-master file returns[2]	17	8

[1]Includes Forms 1040X, 1120X, 2688, 4868, 7004, 7005 and 1041A.
[2]Includes Forms 941M, 941NMI, CT-2, 990BL, 6069, 1042, 1120 DISC, 1120 IC DISC, 1120FSC and 8404.

REFUNDS

IRS issued 80.8 million refunds totaling $97 billion in 1987 compared to 77.9 million refunds amounting to $94.4 billion in the previous year. This year over 77.7 million individual income taxpayers received $73.4 billion in refunds, including $371 million in interest. (Note: Individual income refund figures in statistical tables 4 and 5 include fiduciary and partnership returns. See footnotes in these tables.)

By the end of the fiscal year, IRS had issued refunds with interest on 1.6 million current-year individual income tax returns timely filed but not refunded during the statutory interest-free period, compared to 3 million last year. Individual refunds this year averaged $943 compared to an average of $946 in 1986. Due to reporting inconsistencies, the average refund for 1986 was previously reported as $982. The processing of refund claims for Windfall Profit Tax resulted in refunds amounting to $1 billion, of which $429 million represented interest. (For details, see statistical tables 4 and 5.)

PENALTIES AND INTEREST

The law requires that IRS charge penalties for failure-to-file returns, late payments, payments with bad checks, negligence, false withholding statements, fraud and other violations. It also gives IRS the authority to cancel or lower an interest charge when it is not justified.

In 1987, IRS imposed 22.9 million penalties totaling $5.3 billion. Of these penalties, 12 million were imposed on individuals for a total of $2.62 billion and 10.9 million on business returns, totaling $2.64 billion. Interest charges totaled $4.1 billion on individual returns with reductions of $472.7 million. These figures are exclusive of 211 thousand penalties totaling $4.7 billion imposed but not reported in prior years. (Statistical table 14 includes both current year and these prior year penalties.)

Interest charged to business returns totaled $7.4 billion, lowered by $2.3 billion. Generally, the IRS may not reduce interest due on taxes owed, but in cases where interest is not justified, it may be lowered or canceled as appropriate.

PRESIDENTIAL ELECTION CAMPAIGN FUND

Citizens and resident aliens who owe at least one dollar in Federal income tax may designate one dollar of the tax to the Presidential Election Campaign Fund. In 1987, 22 percent of the total individual income tax returns, or 22.4 million, showed designations to this fund of $33.2 million. The cumulative amount credited to the fund since it began in 1972 is $500.4 million.

CONTRIBUTIONS TO REDUCE THE PUBLIC DEBT

Last year was the fifth year federal tax forms carried a message inviting taxpayers to make voluntary contributions to reduce the public debt. Taxpayers could send separate checks payable to the Bureau of Public Debt with their federal tax returns and take a deduction on the next year's tax return, subject to limitations on charitable deductions. In 1987, there were 723 contributions, totaling $159,000, making the number of contributions 10,382 and the total contributed $1.5 million.

NET INTERNAL REVENUE COLLECTIONS

(In thousands of dollars.)

Source	Gross Collections	Refunds[1]	Net Collections: Amount	Net Collections: Percent of total
Grand total	886,290,590	94,992,297	791,298,293	100.0
Corporation income taxes	102,858,985	18,933,215	83,925,770	10.6
Individual income taxes	465,452,486	74,283,599[2]	391,168,887	49.4
Employment taxes, total	277,000,469	689,370	276,311,098	34.9
Old-age, survivor's, disability and hospital insurance	266,616,935	515,590	266,101,345	33.6
Railroad retirement	4,151,534	21,557	4,129,977	0.5
Unemployment insurance	6,232,000	152,223	6,079,777	0.8
Estate and gift taxes	7,667,670	175,030	7,492,640	0.9
Excise taxes	33,310,980	911,083	32,399,897	4.1

[1]Does not include interest paid on refunds. In the narrative, the total refund figure of $97.0 billion includes $2.0 billion of interest.
[2]Refunds of Forms 1040, 1040A and 1040EZ including withheld taxes, minus FICA.

GROSS INTERNAL REVENUE COLLECTIONS

(In thousands of dollars. For details see statistical table 1.)

Source	Percent of 1987 collections	1986	1987	Increase or decrease: Amount	Increase or decrease: Percent
Grand total	100.0	782,251,812	886,290,590	104,038,778	13.3
Income taxes, total	64.1	r 497,406,391	568,311,471	70,905,080	14.3
Corporation	11.6	80,441,620	102,858,985	22,417,365	27.9
Individual, total	52.5	r 416,964,771[1]	465,452,486[2]	48,487,715	11.6
Withheld by employers[1]	36.4	r 314,838,340[1]	322,495,330[2]	7,656,990	2.4
Other[3]	16.1	102,126,431	142,957,156	40,830,725	40.0
Employment taxes, total	31.3	r 243,978,380	277,000,469	33,022,088	13.5
Old-age, survivor's, disability and hospital insurance, total	30.1	234,879,738	266,616,935	31,737,197	13.5
Federal insurance contributions	28.5	219,171,256	252,629,343	33,458,087	15.3
Self-employment insurance contributions	1.6	15,708,482	13,987,592	(1,720,890)	-11.0
Unemployment insurance	0.7	r 5,265,002	6,232,000	966,998	18.4
Railroad retirement	0.5	3,833,640	4,151,534	317,894	8.3
Estate and gift taxes	0.9	7,194,956	7,667,670	472,715	6.6
Excise taxes, total	3.8	33,672,086	33,310,980	(361,106)	-1.1
Alcohol & tobacco	1.3	r 10,233,303	11,097,677	864,374	8.4
Other	2.5	r 23,438,783	22,213,303	(1,225,480)	-5.2

[1]Includes presidential election campaign fund amounting to $35,933,481.
[2]Includes presidential election campaign fund amounting to $33,179,268
[3]Estimated collections of individual income tax withheld are not reported separately from old-age, survivor's, disability and hospital insurance (OASDHI) taxes on wages and salaries. Similarly, collections of individual income tax not withheld are combined with 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 section 201(a) of the Social Security Act as amended and includes all OASDHI taxes. The estimates shown for the two categories of individual income taxes were derived by subtracting the OASDHI tax estimates from the combined totals reported.
r = revised

TAX REFUND OFFSET PROGRAM

If a taxpayer fails to make support payments to a child or spouse who receives public assistance, Congress requires the IRS to withhold all or part of the taxpayer's income tax refund to cover the delinquent payments. This requirement has been in effect since 1981. Since 1986, the IRS has also been required to apply individual income tax refunds to support payments for a child or spouse who is not on welfare and to debts owed to some federal agencies.

Through an agreement with the Department of Health and Human Services, IRS acts as a collection agent for the state welfare agencies in all child or spouse support cases. The refund amounts reimburse the agencies for the support they furnish through aid to families with dependent children. The state agencies turn the funds over to the parents having custody of the children in non-welfare cases. In 1987, refunds totaling 662,592 were offset in the amount of $339 million to cover delinquent payments.

Other agreements with the Departments of Housing and Urban Development, Agriculture, Education, Defense, Treasury, Justice, Health and Human Services, and the Veterans' and Small Business Administrations require the IRS to act as a collection agent for delinquent federal debts. During 1987, refunds were offset for this purpose on 483,121 individual income tax returns in the amount of $222.5 million.

EARNED INCOME CREDIT

Low income taxpayers who keep a home for themselves and at least one dependent may claim the earned income credit. Taxpayers who qualify for the credit may choose to get it in their paychecks in the form of advance payments during the year, rather than wait and file for it on their tax returns after the year is over. In 1987, 6.2 million taxpayers claimed a total of $2 billion. Employers reported that $2.5 billion had been paid out in advance earned income credits during 1987.

MASTER FILE

The number of taxpayer accounts on the Individual Master File grew to 141.4 million by the end of September 1987, a 1.9 percent increase over 1986. The Business Master File had 28.2 million accounts, a 1.4 percent increase over the previous year. During 1987, the National Computer Center processed 806.3 million individual and business master file transactions, an increase of 137.2 million, or nearly 20.5 percent over 1986.

ELECTRONIC FILING

IRS pioneered electronic accounting with the creation of the National Computer Center in Martinsburg, West Virginia, in the early 1960's where it created the IRS masterfile of taxpayer accounts. IRS service centers traditionally transfer data from individual tax returns to electronic media for use on computers. Electronic filing eliminates costly manual steps in processing returns, improves the quality of returns filed, and reduces the time between filing and receipt of refunds. Electronic filing of individual income tax returns with refunds became an operational program for the 1987 processing year. The original pilot project included the metropolitan areas of Cincinnati, Phoenix, and Raleigh-Durham-Fayetteville. Albany, New York; Milwaukee, Wisconsin; Norfolk, Virginia, and Sacramento, California were added this year.

Electronic fund transfer/direct deposit was tested in the three pilot areas and will be included in the further expansion of the electronic filing operational program to 16 districts for the 1988 processing year.

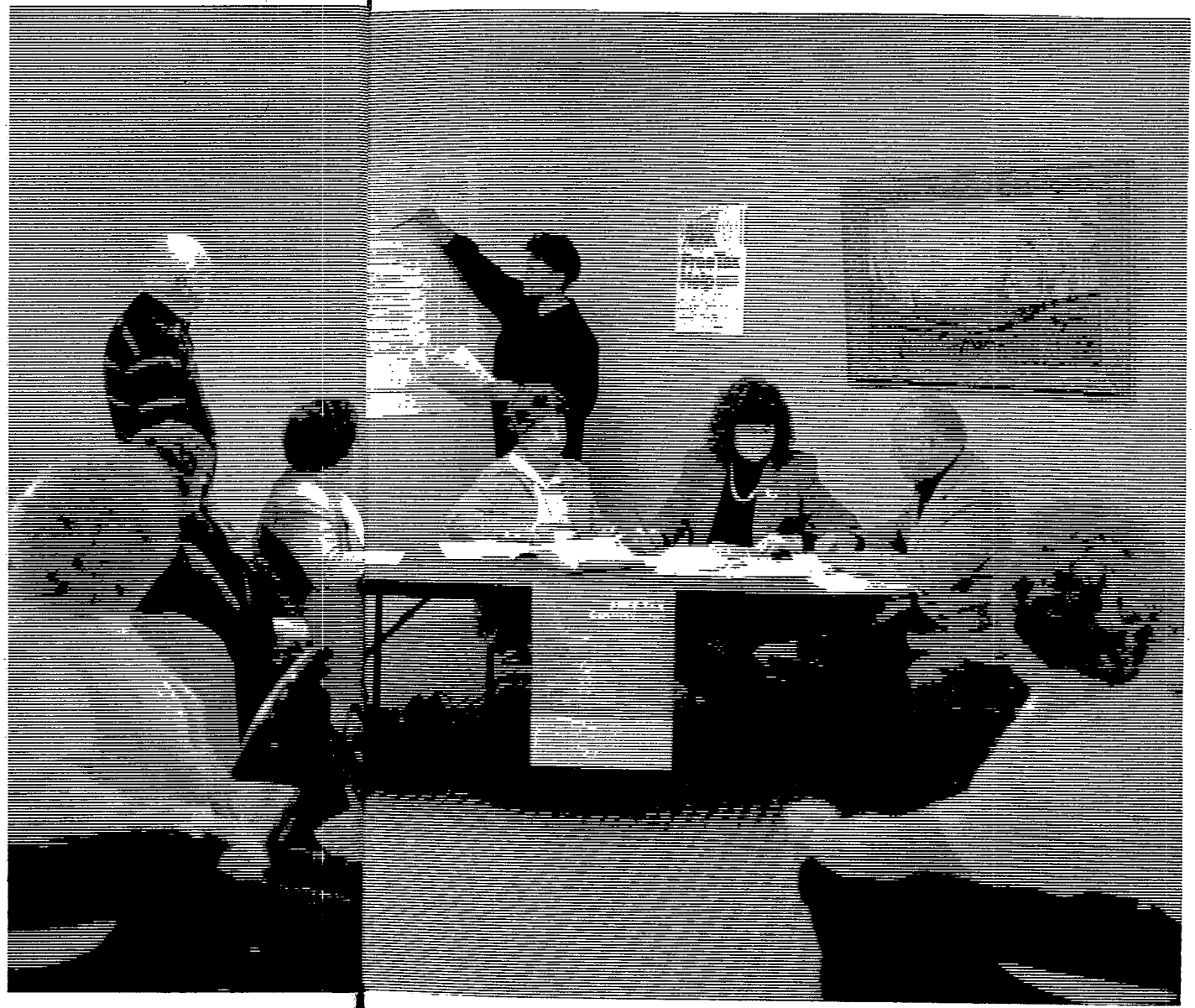
Electronic/magnetic media filing of fiduciary and partnership returns was tested for processing year 1987 with no geographic restriction on location of filers. The test will be expanded to cover Forms 1120S and 5500 (C and R) for processing year 1988.

The IRS is studying a new "answer sheet" return specifically designed to be scanned by optical character recognition (OCR) equipment which will convert the information to magnetic media for computer use. The Form 1040 OCR data will be processed through the electronic filing system.

In an attempt to reduce drug trafficking and money laundering, the Congress in 1970 passed the Bank Secrecy Act which requires that cash transactions of $10,000 or more must be reported to IRS on currency transaction reports. In 1987 the Detroit Data Center began processing magnetically filed Currency Transaction Reports. Both IRS and the institutions involved realize substantial monetary savings with a projected 10 percent reduction in errors in the reports.

ASSISTING THE TAXPAYER

There is more to collecting taxes than just processing returns and sending out notices. Most taxpayers want and try to pay their fair share of taxes. However, with increasingly complex tax laws and regulations, taxpayers have more questions than ever before.



The IRS provides many kinds of assistance to taxpayers to help them complete their tax returns. Included are telephone assistance, televised tax programs, audio and video cassette programs, walk-in assistance, workshops and seminars. Also available are several volunteer programs which offer free help to people who need assistance in filling out their returns, and taxpayers can always write or call the IRS to obtain needed forms and free publications which explain procedures for completing tax forms.

TAX REFORM ACT ASSISTANCE

To ensure that IRS employees and the public had the latest information on the Tax Reform Act of 1986, a cross-functional group of employees worked together to develop training and publicity materials. Within one month after the legislation was signed, IRS employees had training materials and the public was being provided answers to questions on tax changes through items such as tax scripts for the Tele-Tax program and about 100 questions and answers sheets. In addition, several TaxNews releases relating to the 1986 and 1987 tax provisions were issued to IRS employees.

TELEPHONE ASSISTANCE

IRS provided convenient avenues of help to taxpayers through three forms of telephone assistance: the toll-free system with trained staff to help with account problems; Tele-Tax for either recorded technical tax law information or the status of the current year's refund; and a special toll-free service to order forms and publications.

A technical upgrade and expansion of Tele-Tax to 28 sites allowed taxpayer service to provide assistance to more than 10 million taxpayers—an increase of over 2 million calls from 1986. The technical upgrade alone increased efficiency of existing lines by 33 percent.

TAXPAYER INFORMATION

IRS provided a variety of materials on taxes for both electronic and print media. Public service programming was available to over 1,200 television stations and 10,000 radio stations. IRS produced 13 television and many radio public service announcements during the 1987 tax filing season. A cable television panel discussion, public service announcements and audio and video tapes in English and Spanish were aired on tax reform and tax form preparation.

A two-hour tax program in February and a special one-hour program in September, devoted entirely to the Tax Reform Act, aired over 180 public broadcasting stations and 4.1 million people watched them. A language clinic reached about 877,000 Spanish television viewers, and for the second year a syndicated television tax program ran on 155 commercial stations, covering 86 percent of the country. IRS produced electronic filing publicity materials for distribution to practitioners at Outreach Seminars, and a slide presentation for seminar speakers.

PRINT MEDIA

Materials made available for print media included several tax supplements, special clipsheets dealing with tax reform, public service advertisements for daily and weekly newspapers and for national magazines and talking-phone books special yellow page directories. Over 1,000 newspapers published special tax sections, a 17 percent increase over 1986.

SPECIAL ADVERTISING AND MAILING CAMPAIGNS

To better inform the public on tax law changes, IRS conducted several first-time mailing and advertising campaigns. Two special mailings, concerning Form W-4 requirements and the new Form W-4A, were made to over 6 million employers. A flyer was also sent with refund checks to all 68 million individuals who received tax refunds in 1987 explaining requirements for filing W-4 or W-4A and social security numbers for dependents age 5 or over.

IRS made plans to mail an information brochure about the new tax law changes to more than 90 million taxpayers encouraging them to order publications needed to start earlier than ever before in preparing their tax returns.

Another IRS first occurred with the contracting of the Advertising Council to develop a nationwide advertising campaign. It will help IRS inform the American public about tax law changes and encourage taxpayers to file early through the theme "Make taxes less taxing. Do them today." The public service advertising campaign begins early in 1988.

IRS, in another first-time event, conducted a nationwide teleconference transmitted live via satellite to sites near all 80 IRS offices. It allowed IRS Commissioner Lawrence Gibbs and senior officials from taxpayer service the opportunity to address all taxpayer service/public affairs managers regarding filing season readiness, and enabled them to call in questions directly to the national office officials.

Plans were made for a second nationwide teleconference. IRS national office and field officials will discuss the forthcoming Advertising Council campaign with the tax practitioner community, and answer questions concerning the filing season and tax law changes.

TAXPAYER EDUCATION

Educating the public on tax-law changes and providing free tax assistance to those with special needs are primary objectives for IRS. Two programs, sponsored by IRS, utilized trained volunteers to help people who needed assistance in filling out their tax returns. The Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs assisted over 1.7 million low-income, non-English speaking, handicapped and elderly taxpayers at over 12,000 sites in communities across the country.

Tax assistance and information were also provided to 903,000 taxpayers, more than double last year, through the Community Outreach Tax Assistance program. This program was especially helpful since it was offered at convenient times and locations in the community for taxpayers who were unable to seek help at IRS offices during normal business hours. IRS representatives explained how the many Tax Reform Act changes affect taxpayers' 1987 returns, and discussed provisions of particular interest to groups such as small business owners, self-employed individuals, farmers and retirees.

Taxpayer service again distributed instructional materials to high school and adult basic education students through the Understanding Taxes Program, presented seminars on tax topics, and participated in tax practitioner institutes.

FORMS AND PUBLICATIONS

IRS issued advance proofs of most of the major 1987 tax forms earlier this year than ever before. Public comments were invited and internal reviews made to improve the forms. Under contract with a private firm, IRS conducted focus group testing of various high visibility forms at several sites throughout the nation. The test results pointed out areas of the forms and instructions that were causing problems for taxpayers. IRS received many worthwhile suggestions from these sources for improvements to the forms, and included many of them in the final forms.

IRS developed 50 new tax forms and eliminated 7 forms, due to tax law changes. Thirteen new taxpayer information publications were also developed with a special effort to use only the simplest language possible. Two of these, Publications 920 and 921, provide detailed explanations on the major tax law changes as they affect individuals and corporations.

PROBLEM RESOLUTION PROGRAM

The Problem Resolution Program (PRP) assisted 407,000 taxpayers in resolving tax problems that had not been resolved through normal procedures. It is directed by the Taxpayer Ombudsman, a member of the Commissioner's immediate staff.

The program was established to handle taxpayers' unusual problems and complaints, but also has two other major goals. First, PRP is responsible for identifying the underlying causes of taxpayer problems so that corrective action can be taken to prevent their recurrence. Second, problem resolution employees represent taxpayers' interests and concerns within IRS during program development and implementation to prevent problems from arising. In accomplishing these goals, PRP recommendations in 1987 resulted in:

1. requiring additional research that will prevent unnecessary invalid social security number notices;
2. improving Schedule B (Form 1040) instructions to prevent future unnecessary underreporter notices;
3. including text about common taxpayer errors in the appropriate Tele-Tax assistance messages;
4. adding instructions to abate federal tax deposit penalty when the taxpayer provides documentation of timely deposits even though the bank's stamped date indicates otherwise; and
5. changing exempt organization return processing procedures to prevent the assertion of unwarranted late filing penalties.

Problems resolution officers are located in all offices of the IRS. Besides preventing and correcting problems, they publicize PRP through television and radio announcements, articles and advertisements, and meet regularly with tax practitioner groups, Congressional staffs, and other outside groups regarding the program.

ASSISTING TAXPAYERS

	1987	1986
WRITE, CALL OR WALK-IN		
Total Requests for Assistance	54.1M	54.8M
Toll-Free Telephone	34.7M	37.9M
Account & Problem Resolution	5.4M	6.2M
Technical	2.6M	2.6M
Service for the Deaf	1,660	2,338
Non Toll-Free Telephone	.3M	.3M
Tele-Tax	10.9M	7.9M
Automated Response	2.3M	1.5M
Refund	8.6M	6.4M
Outreach	903,000	376,000
Community Sites	12,000	8,000
Correspondence	169,000	241,000
Walk-In	7.1M	8.1M
Permanent Offices	411	345
Filing Season Only	56	115
With Foreign Language Assist	98	114
Tax Forms & Instructions Distributed	292.0M	298.0M
Libraries, Banks & Postal Serv.	54,400	52,000
DISASTER/EMERGENCY ASSISTANCE		
States	18	22
Counties	188	250
Cities/Towns/Communities	53	58

	1987	1986
TAXPAYER EDUCATION		
Taxpayer Returns Assisted	1.7M	1.8M
VITA & TCE Volunteers	57,000	59,000
Students Who Received Understanding		
Taxes Materials	3.7M	4.0M
Workshops		
Small Business	47,000	39,000
Tax Practitioners	36,000	32,000
Institutes	199	230
Law & Graduate Accounting Schools	12	22
TAXPAYER INFORMATION		
Free Advertising Received	$45.0M	$35.0M
Material Sent to Print and		
Electronic News Media	41,000	39,000
Television Clinics/Special Programs	17	13
Radio Clinics	7	4
Estimated Viewers/Listeners	17.0M	12.0M
Newspapers Printing Tax Supplements	1,049	900
Estimated Circulation	29.0M	23.0M
Public Service Ads Printed	4,700	4,573
Estimated Circulation	97.0M	94.0M
Estimated Ad Value (Supplement & Ads)	$5.7M	$4.8M
Billboards	2,000	1,900

ENFORCING THE LAW

The basis of our self-assessment system of taxation is voluntary compliance with tax laws. Highly-trained IRS personnel work to ensure that all taxpayers pay their fair share of taxes, collect the correct amount of taxes due, and when necessary bring criminal violators of the tax law to justice.

IRS continued to make refinements in the automated examination systems and new formulas were developed, due to changes in the tax laws, for selecting both individual and corporation returns for examination. Computerized underreporter document matching programs detected more than 2.2 million apparent discrepancies between figures reported on tax returns and amounts on reports filed by payers of income, resulting in $1.2 billion additional tax and penalties.

An increased compliance program focused on abusive tax shelter promoters was effective in reducing the number of abusive tax shelters marketed. The automated collection system completed its third year, and collected nearly two-thirds of all delinquent accounts received without resorting to additional field processing. The office of assistant commissioner, international, provided program direction for the second year on all IRS international matters in developing, executing, and evaluating worldwide compliance and assistance programs.

EXAMINATION RESULTS

In 1987, IRS examined 1.3 million returns which resulted in $19.6 billion recommended additional tax and penalties, and refunds totaling $689 million. Through the service center correction program, .5 million returns were corrected, resulting in recommended additional tax and penalties of $477 million. Through its efforts in districts and service centers, the examination function examined, verified or corrected 1.79 percent of all returns filed in 1987.

AUTOMATED EXAMINATION SYSTEM

More than 16,000 revenue agents have received training for "laptop" computers, reducing the time required for many labor-intensive tasks. IRS has over 17,000 portable computers for use by revenue agents.

AES established work sites in Dallas (general examination workcenter) and Cincinnati (group and management support). These locations operate with assistance from computer services and employee plans/exempt organizations personnel.

Refinements in the AES basic workcenter this year included a reduction in the number of required operating disks, adding power, and simplifying procedures. Development was directed toward the design and implementation of specialty workcenters for use by engineers, estate and gift attorneys, excise examiners and employment tax agents.

INFORMATION RETURNS PROGRAM

Computerized document matching detected more than 2.2 million apparent discrepancies between income and deductions reported on tax and information returns in 1987. IRS detected 2.5 million taxpayers who apparently failed to file federal tax returns.

Service centers received over 900 million information documents reflecting wages, interest and dividend payments, contributions to individual retirement arrangements and simplified employee plans, mortgage interest deductions, and other transactions used in tax computations.

COMPUTER ASSISTED AUDIT PROGRAM AND STATISTICAL SAMPLING

Computer audit specialists assist revenue agents in cases involving computerized records, and are responsible for securing record-retention agreements with certain large taxpayer corporations. They are trained in advanced statistical inference techniques, which they apply to examinations, and serve as expert assistants to other revenue agents and examination specialists.

COORDINATED EXAMINATION PROGRAM

The Coordinated Examination Program (CEP) recommended tax deficiencies and penalties totaling $7.4 billion in 1987. The CEP included 1,458 of the largest and most complex domestic and foreign-controlled corporations. Teams of the most experienced examiners and specialists in the IRS did examinations of these corporations.

TAX SHELTERS

IRS examined 151,954 returns with tax shelter issues in 1987. Examination of these returns resulted in total recommended additional tax and penalties of $3.3 billion.

A combined effort by examination, chief counsel, and the appeals division to settle old tax shelter cases began in 1987. The IRC 6700/7408 compliance program which focused on abusive tax shelter promoters was effective in reducing the number of abusive tax shelters marketed. During 1987, a total of 5,837 tax shelter registration numbers were issued by IRS.

INDUSTRY SPECIALIZATION PROGRAM

The Industry Specialization Program, consisting of 15 designated industries and 5 industry studies, was established to better identify and develop issues and ensure uniform and consistent treatment of issues nationwide. The industry specialists are now more involved in the legislative, regulation and ruling processes.

Coordination between examination and chief counsel increased in an attempt to identify coordinated issues for litigation to establish precedence. Each industry specialist was assigned a field attorney to help in developing issues for litigation.

QUALITY IN EXAMINATION

Examination continued implementing and perfecting several quality improvement systems including all phases of the Automated Examination System and beginning the development of customer-service training material for revenue agents, tax auditors and tax examiners.

The Line Management Quality Assurance System, implemented in a number of districts, requires the first-line manager to determine the examiner's adherence to the auditing standards, and provides immediate feedback to the examiner.

Income Tax Technical Field Conferences, resumed as a joint effort of examination and chief counsel (technical and international) offices, provided an opportunity for field and technical personnel to discuss technical issues of mutual concern.

IRS implemented the nationwide Coordinator Agent/Auditor Program which uses experienced agents/auditors to transfer auditing skills and techniques to less experienced examiners through case consultation and assistance on issues.

RESEARCH TO IMPROVE COMPLIANCE

The Taxpayer Compliance Measurement Program (TCMP) is based on the examination of a stratified random sample of returns. The resulting data is used to develop discriminant information function (DIF) formulas, which are the primary method of selecting returns for examination.

New DIF formulas for both individuals and corporations were developed in response to changes in the tax law. The first complete TCMP survey of partnership returns was completed in 1985. IRS used the data to form new partnership examination classes and to develop partnership selection formulas. Returns filed in 1988 will be scored for possible examination based on these new DIF formulas.

IRS conducts research on returns containing specific issues where there appears to be pockets of noncompliance. Results of these studies are used to determine whether other selection systems to supplement DIF are needed. During 1987, the IRS conducted research on such issues as tip income reporting in the food and beverage industry and employment tax withholding compliance.

WINDFALL PROFIT TAX PROGRAM

Emphasis was placed on the examination of large windfall profit tax cases with high tax potential and on the closing of old-year cases. Examinations closed in 1987 resulted in deficiencies of over $1 billion.

DISCLOSURE

IRS responded to 12,422 requests made in calendar year 1986 under the Freedom of Information and Privacy Acts, and provided services to 13,110 people in the Freedom of Information Reading Room.

Under the Federal/State Exchange, 50 state tax agencies requested extracts from the IRS files, and 40 state tax agencies received copies of CP-2000 adjustments. The IRS and the states also exchanged results of their enforcement efforts.

Approximately 45 federal agencies and 75 state tax agencies received federal tax information subject to confidentiality safeguarding. More that 50 state and local welfare agencies received information to verify eligibility for benefit programs. Educational institutions received tax information for collection of defaulted student loans. IRS national office and field disclosure personnel conduct on-site safeguard reviews of organizations receiving federal tax information to prevent unauthorized disclosures of returns and return information.

The IRS processed approximately 35 requests for volume letter forwarding services of 50 or more letters each. The IRS may agree to forward letters from both private and government agencies to individuals at the latest address available in Service records. Specific humane circumstances must exist for private requesters to participate in this program.

RESULTS OF CRIMINAL INVESTIGATION ACTIVITY 1986-1987

	Fraudulent Tax Shelters		Illegal Tax Protesters		Narcotics Related		Bank Secrecy Act (Title 31)		All Others		Total	
	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987
Investigations Initiated	312	147	338	266	1264	1263	354	392	3593	3443	5861	5511
Investigations	335	338	464	341	1343	1316	369	307	3576	3293	5836	5595
Completions												
Prosecution	231	242	299	243	956	996	275	185	1763	1860	3524	3526
Recommendations												
Indictments	124	130	338	273	817	898	204	174	1471	1431	2954	2906
Informations												
Convictions	107	94	296	275	666	680	108	116	1283	1391	2460	2556
Sentencings	80	95	319	315	662	662	111	89	1246	1440	2418	2601
Percent Receiving Prison Sentences	59	59	60	62	73	77	60	39	56	57	61	63

CRIMINAL INVESTIGATION

Voluntary compliance with the tax laws in the United States self-assessment system of taxation relies heavily on the deterrent effect of successful criminal prosecutions. IRS criminal investigators have long been recognized as being among the best in their field. Today, organized crime, abusive tax shelters, illegal tax protesters, high-level drug dealers, bank secrecy act and money laundering violations and false claims against the government are among their priority enforcement targets.

Not only do the courts hand down substantial prison sentences, but those convicted must also pay fines, civil taxes and penalties besides serving prison sentences.

BANK SECRECY ACT

The Bank Secrecy Act requires financial institutions to report currency deposits or withdrawals of more than $10,000. In one violation of the act, a former bank investment officer was sentenced to five years in prison, fined $250,000, and assessed $9,700 in prosecution costs for her part in a conspiracy to launder $36 million through San Diego banks and a currency exchange.

In Florida, 10 Colombian citizens were indicted for violating the Bank Secrecy Act. Agents also seized $510,000 in U.S. currency and executed 32 search and seizure warrants on accounts in various banks in the area resulting in the seizure of another $634,000.

QUESTIONABLE REFUND PROGRAM

This program seeks to uncover those individuals who file false or fictitious tax returns for the purpose of getting refunds to which they are not entitled. Detection teams in the service centers intercepted more than $11.3 million in fictitious claims for multiple refunds and referred 627 schemes to district offices for investigation.

A Florida man was arrested in one case for filing more than 350 fictitious tax returns, claiming an excess of $1.5 million in refunds. In another scheme, a father and son filed hundreds of fraudulent tax returns to try to cheat the government of an estimated $5.8 million. Both were sentenced to prison terms.

ORGANIZED CRIME AND DRUG ENFORCEMENT TASK FORCES

IRS is a significant participant in the President's Organized Crime Drug Enforcement Task Forces. Investigation of narcotics traffickers involves in-depth financial analysis by special agents of the criminal investigation division. These investigations are in direct correlation with effective tax administration and the fostering of voluntary compliance among individuals receiving incomes from illegal sources.

A significant case prosecuted in Pennsylvania on drug and tax counts and continuing criminal enterprise charges resulted in a 45-year prison sentence, a fine of $100,000, and a concurrent 40-year term on eight counts of tax evasion. In Detroit, the head of what was described as the "largest drug smuggling organization ever uncovered in the United States," was sentenced to 25-years in prison. He pled guilty to a variety of charges including income tax evasion, conducting a continuing criminal enterprise and other drug-related charges. The case also resulted in ten criminal tax charges against bank officials who assisted in the laundering of illicit funds.

COLLECTION

Collection is responsible for taxes where the amount owed is not in dispute, but remains unpaid. Collection secured $22.9 billion in 1987, compared with $19.6 billion in 1986. Of that sum, $ 9.9 billion was collected as a result of the first bill. Subsequent billings yielded $5.6 billion. Additional action on taxpayer delinquent accounts generated $6.4 billion, with various other programs yielding $1.0 billion.

A new program increased examination of employment tax returns where improper classification of workers as employees or independent contractors can affect the amount of taxes withheld.

SERVICE CENTER COLLECTION BRANCH

The Service Center Collection Branch (SCCB) is collection's first point of contact with taxpayers who may be delinquent in filing tax returns and paying taxes. SCCB expanded its role in securing delinquent returns by assuming responsibility for the Substitute for Return Program. This program is expected to process between 500,000 to 600,000 individual returns during fiscal year 1988 with assessments in excess of $2.5 billion. Collection developed an automated system for preparing and assessing returns for individuals who have income reported on information returns, but who have not filed their individual tax returns, after being so notified during normal notice issuance. This program is anticipated to have a major impact on non-compliance. SCCB also adjusts employment tax returns based on state audit information.

AUTOMATED COLLECTION SYSTEM

The Automated Collection System (ACS) completed its third full year of operation and increased in effectiveness to the point that 65 percent of all delinquent account dispositions were resolved through full payment.

RESOURCE AND WORKLOAD MANAGEMENT SYSTEM

When taxpayers fail to resolve their accounts in ACS, a new system of inventory control either issues the accounts to the collection field or holds them in a sequence file awaiting processing. Accounts are then assigned, based on their predicted yield and on the staff available.

INTEGRATED COLLECTION SYSTEM

The Integrated Collection System (ICS) Project is a comprehensive automation effort to streamline a labor-intensive paper system, and thereby improve quality, productivity, timeliness of collection case processing, and responsiveness to taxpayers. Using commercially available hardware and software, the ICS will employ a common data base to facilitate the exchange of information among all four collection organizational units—the collection field function, the special procedures function, the service center collection branch function, and the automated collection system.

CREDIT CARD PAYMENT OF FEDERAL TAXES

During the past year, IRS evaluated the possibility of taxpayers using credit cards to pay federal taxes. IRS believes that taxpayers should be afforded the convenience of using any commercially acceptable forms of payment to pay their taxes.

However, for IRS to accept credit card payments there must be authorizing legislation. A legislative proposal was drafted for inclusion in the current legislative program to amend Internal Revenue Code 6311 to allow the Secretary of the Treasury to accept credit card payments of federal taxes.

Accepting payment of taxes by credit card will help reduce the volume of accounts receivable and the number of installment agreements, and will provide substantial revenue sooner.

In recommending the acceptance of credit card tax payments, the IRS is in no way suggesting or contributing to any act to encourage the increase of consumer debt. The debt (unpaid taxes) is already there. The cost to the taxpayer for a credit card tax payment may be less than the amount of interest and late payment penalty that would be charged if a liability is not paid by the date prescribed.

INTERNATIONAL

The office of the assistant commissioner (international) provides program leadership and direction for all international tax matters, including the development, execution, and evaluation of multi-functional compliance and assistance programs on a worldwide basis. It was created to effectively address IRS's tax administration needs caused by the increasing impact of global economic activity. The growing importance of economic internationalization on the tax system was reflected by the emphasis Congress placed upon international issues in the Tax Reform Act of 1986.

International's commitment to provide quality customer service in 1987 extended beyond the borders of the United States. International taxpayer assistance expanded its base of scheduled taxpayer service visits to U.S. embassies and consulates—86 cities within 52 countries—helping approximately 300,000 U.S. citizens living abroad and in U.S. territories and possessions. Taxpayer education was a vital part of expanded overseas service, which included Volunteer Income Tax Assistance (VITA) and Outreach Programs throughout the world. Year-round assistance was provided at 14 overseas posts.

In the enforcement arena, International provided leadership and direction to 505 specially trained examiners based in 23 district offices within the U. S. The 25 percent increase in international staffing this year supports the growing significance placed on international issues. This is the first step toward a substantial increase in international examiner resources.

During 1987, international enforcement recommended: (1) net reductions in allowable foreign tax credits of $3.2 billion; (2) adjustments increasing taxable income by $5.847 billion, decreasing taxable income by $6.033 billion, for a net decrease of $186 million; (3) penalties of $602 million; and (4) increases to other foreign taxes of $300 million. Working to achieve more effective compliance, international initiated studies to identify areas of non-compliance and determine levels of compliance. Direction was aimed primarily at multinational corporations in areas such as correct payments of U.S. income tax by foreign-controlled corporations, industry-wide pricing, and transfer-pricing transactions.

The thirty-seven tax treaties that the U.S. has in force worldwide are administered by international. These treaties provide for exchanges of information, simultaneous examinations, relief from double taxation, and routine sharing of information returns. In 1987, international realized completed negotiations of 100 cases of U.S. taxpayers requesting relief from double taxation and over 350 requests for information from treaty partners.

Exchanges of information also occurred between IRS and state governments, as well as cooperative assistance efforts. IRS actively participated in the National Association of Tax Administrators (NATA). State tax administrators and IRS staff implemented collaborative actions in the Tele-Tax, Volunteer Income Tax Assistance/Volunteer Counseling for the Elderly, and Outreach taxpayer assistance programs. Cooperation was evident in the creation of "one-stop shopping" for federal and state forms, and the efficient sharing of resources.

International executives attended meetings of international tax administrators exchanging views on cooperative measures, compliance problems, and tax issues. Major organizations involved with these issues included the Group of Four, the Pacific Association of Tax Administrators (PATA), and the Organization for Economic Cooperation and Development (OECD), reflecting interaction with 24 countries.

IRS also provides technical and administrative assistance to foreign governments wanting to improve their tax systems. During 1987, International assisted Egypt, Indonesia, Jordan, Liberia, Saudi Arabia, and Senegal in modernizing and strengthening their tax systems. Assistance efforts ranged from developing compliance measures to training of technical personnel to developing strategic initiatives for effective management of tax systems. As a member of the Inter-American Center of Tax Administrators (CIAT), international exchanges ideas, arranges study programs, and provides technical advice about techniques and technologies employed to accomplish the objectives of tax administration programs.

To strengthen voluntary compliance and achieve a more effective international tax program, an aggressive global media campaign was undertaken to reach taxpayers abroad. In addition, research and compliance studies were initiated which are aimed at detecting non-compliance. These assistance and education efforts, coupled with research and program development, are expected to result in improved compliance. Planned initiatives for 1988 will move international forward to continue systemic improvements for returns processing, increased expansion of toll-free taxpayer assistance to overseas countries, and enhanced training of international examiners.

EMPLOYEE PLANS

The employee plans function enforces the tax laws governing pension plans by issuing letters determining whether or not a plan qualifies under the law, examining returns to ensure that plans are complying with the law, and publishing rulings to clarify the law. In 1987, IRS issued 300,455 of these letters (as shown in statistical table 18) and examined 8,669 returns.

The employee plans office prepared a series of plain-language notices on provisions of the Tax Reform Act of 1986 relating to individual retirement arrangements and distributions from qualified plans, developed a Master and Prototype Program for Section 401(k) cash or deferred arrangements, and prepared technical guidance for the more complicated provision of tax reform, including information on limitations on contributions and benefits and certain distributions from qualified plans.

EXEMPT ORGANIZATIONS

Responsibility for many of the laws that exempt organizations from tax falls under the exempt organizations function.

During 1987, IRS issued 405 technical advice memoranda. IRS also acted on 63,387 applications and requests for rulings (including some National Office rulings not shown in statistical table 21) from organizations and examined 18,094 exempt organization returns.

To measure compliance with the tax laws, IRS initiated special-emphasis programs directed toward exempt organizations that appeared to be operated in a discriminatory manner or to be engaged in lobbying and political activities.

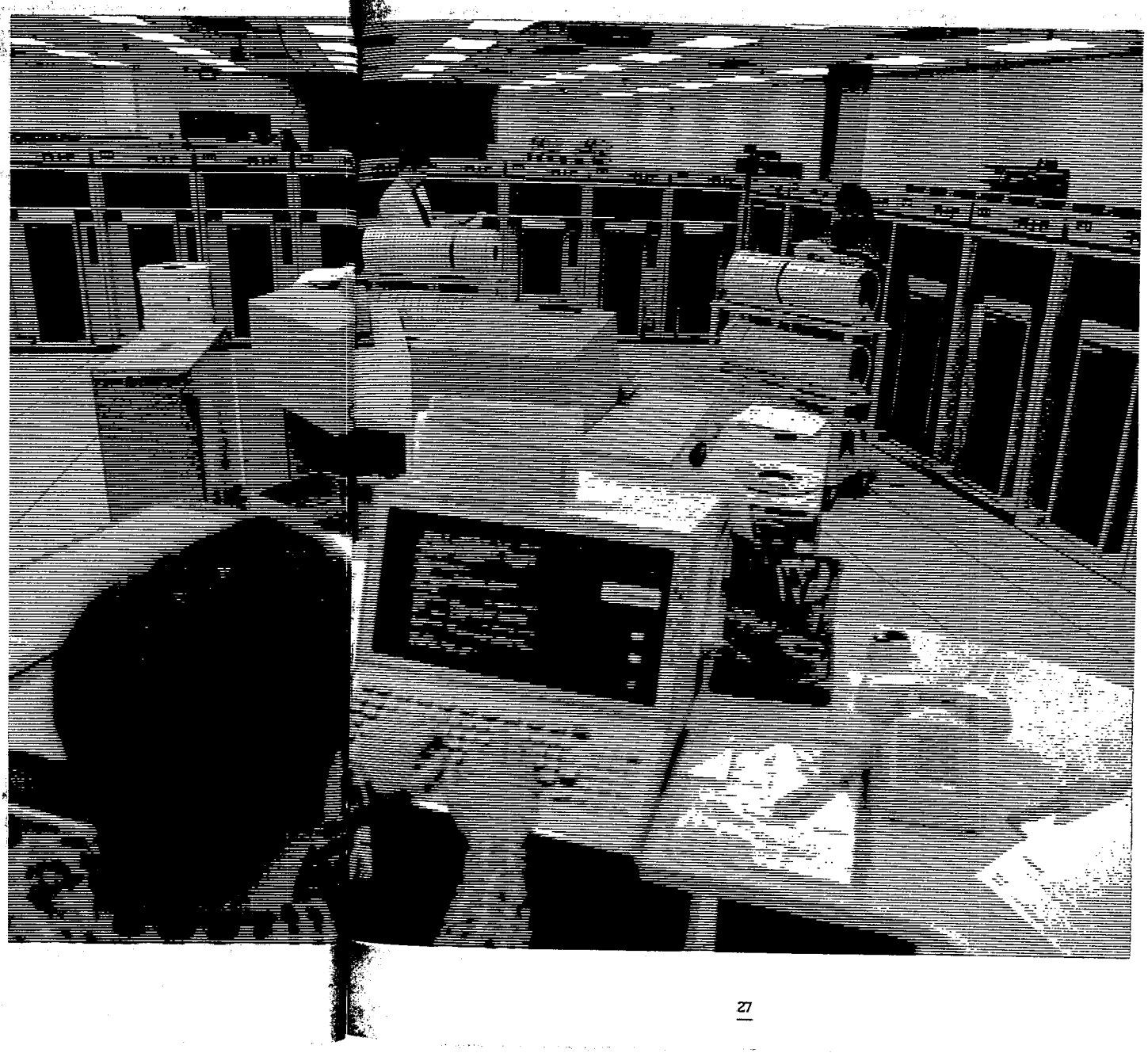
A review of internal procedures was completed, resulting in a revision of the method the IRS uses to compute the voluntary compliance level of exempt organizations.

EMPLOYEE PLANS AND EXEMPT ORGANIZATIONS DETERMINATION SYSTEM (EDS)

The EP/EO Determination System (EDS) is an integrated inventory control and management information system that tracks and controls determination cases, matches applications with historical data and automates case assignments. In 1987, two subsystems of EDS were successfully installed in all key district offices.

MANAGING THE SYSTEM

Management of the tax system at the lowest cost to the taxpayers, without compromising the quality of operations and service to taxpayers is an important part of the IRS mission. The Tax Reform Act of 1986 presented major management challenges for IRS in implementing the many tax law changes. Research continued to strengthen voluntary compliance; statistics were compiled to determine impact on revenue of existing and proposed legislation, and monitoring continued on the progress of other tax-related legislation of interest to IRS.



Management initiatives continued in providing opportunity for equal employment and development of the most qualified people; effective use of buildings and equipment; maintaining a high standard of integrity and honesty of employees; prevention of corruption and fraud and protection of employees in their work. IRS efforts continued in automation technology in processing tax returns, electronic and return-free filing, and management and cost-accounting systems.

STRATEGIC MANAGEMENT SYSTEM

IRS established the Strategic Business Plan (SBP) to provide a comprehensive, servicewide focus on quality tax administration. The Strategic Business Plan contains an exhaustive set of long-range objectives and strategies based on planning assumptions and trends, critical issues, and the IRS Commissioner's priorities.

IRS continued refinements to the Strategic Issues Plan for addressing major issues. Strategic initiatives provide a mechanism to systematically analyze and make specific recommendations about implementation of program change proposals. A new area of concern and five related initiatives pertaining to IRS's commitment to quality service were added to the Strategic Issues Plan. Several initiatives were completed to strengthen compliance with the tax laws, improve management of information technology, maintain program efficiency and effectiveness, and recruit and retain quality employees.

RESEARCH

IRS research efforts emphasize strengthening voluntary compliance, trend identification, and analysis as reflected in the IRS Strategic Plan. At a conference of academic and private foundation researchers, representatives of various practitioner/advisor and professional groups and IRS personnel discussed research papers on the role of tax practitioners.

The IRS prepared a report to Congress on the feasibility of a return-free system, under which some taxpayers with simple tax situations could have their tax liabilities determined by the IRS. The report stated that such a system is not now feasible, but suggests new computer systems planned during the next decade might make implementation of such a system possible.

Several milestones have been reached in establishing long-range Artificial Intelligence (AI) capabilities in the IRS. Transition from training to system development activities was successfully carried out through the establishment of an AI laboratory and the return of trainees from the first AI training program. Projects focused on some key operational areas servicewide, including compliance, taxpayer service, and returns and information processing. All are expected to yield substantial benefits in the quality and productivity of work conducted by the IRS.

INTEGRATED MANAGEMENT SYSTEMS

The Integrated Management System (IMS) Project Office was established to replace and enhance the current management information system and manual inventory controls by providing timely, accurate information in a flexible and user-friendly format.

IRS had commissioned an independent firm in 1984 to conduct a feasibility study of an integrated-management system and cost-accounting system. The current system was shown to be cumbersome and slow and service center managers were maintaining over 370 manual reports on workload status.

A system was needed to automate these manually kept records. IMS converts current service center systems to a database management system, making information more available to users, and eliminating as much manual processing of paper documents as possible for service center, regional and national office managers and analysts.

IMS includes service center employee performance evaluations, release/recall actions, workload scheduling/work planning, production and inventory control, quality, automated document control and a cost management system.

The Total Employees Performance System (TEPS) will be the first sub-system implemented in IMS. Under TEPS, the peer-group evaluation system for measured work in service centers is replaced by a new system based on fixed performance standards. Most of the design and analysis work for Phase I of TEPS was completed in 1987. TEPS is being piloted at Brookhaven Service Center, with servicewide implementation scheduled in 1988. The remaining sub-systems of IMS will be piloted at the Philadelphia Service Center beginning in fiscal year 1989.

INFORMATION SYSTEMS DEVELOPMENT

IRS recognized the need to modernize its computer-based tax administration system and set up the office of the assistant commissioner (information systems development) to direct the IRS toward this effort.

This effort is necessary to improve the timeliness and quality of service to the taxpayer and improve the quality of processing returns within the IRS.

COMPUTER SERVICES

The Tax Reform Act of 1986 required the revision or addition of many tax forms and brought about many programming changes for the automated tax processing system. Computer services tracked the new provisions of the tax law during the legislative process to identify the processing changes which needed to be in place before January 1, 1988.

Computer services was involved in developing the Quality Improvement Information System (QIIS), a data processing system for sharing quality-related information and tracking quality improvement projects servicewide. Other computer services projects focused on improving processing of tax and information returns and service to customers.

Computer services is developing plans for continuing critical operations in the event any of the Internal Revenue Service's processing centers are incapacitated for an extended period. Such plans would go into effect when fire, flood, tornado, sabotage, or other major catastrophe results in substantial damage or long-term disruption of services.

The program to replace IRS's existing data communication processing system and aging computer terminals continued throughout 1987. These computer terminals support many functions used to research taxpayer account data, process adjustments to taxpayer accounts and resolve errors in tax return input. Replacing the old equipment improves IRS's capability to answer taxpayer inquiries regarding returns and refunds.

INTERNAL SECURITY

The IRS commitment of quality and service to taxpayers begins with the assurance to the public that employees are living up to the highest standards of honesty and integrity and that employees are protected from efforts to corrupt or threaten them when carrying out their duties. These tasks lie with the internal security division and are accomplished through investigations conducted by the division.

Investigative programs conducted by the division include criminal misconduct (such as bribery, embezzlement, disclosure or unauthorized use of tax information and conflict of interest) and serious administrative misconduct by IRS employees; attempts by non-IRS personnel to corrupt or unlawfully interfere with IRS operations through bribery, threats or assaults; charges against tax practitioners; allegations of impersonation of IRS personnel, background investigations on IRS applicants and appointees, and security updates.

The elimination and prevention of corruption and fraud depends upon the cooperation internal security receives from IRS employees. One such example involved an employee who reported a bribery attempt that resulted in the arrests and indictments of two garment business owners, and the accountant of one of the owners, for bribery, conspiracy and aiding and abetting. The investigation disclosed that the two businessmen offered and paid the cooperating employee a total of $13,000 to eliminate approximately $74,000 in tax liabilities.

In another investigation, a former employee was arrested and indicted for embezzlement and false personation. The investigation originated when a taxpayer asked about the status of a cash payment which failed to post on the taxpayer's account. The investigation involved seventeen taxpayers and a total of $33,383.43, which the former employee had embezzled while employed with IRS. He continued to contact taxpayers after he resigned and embezzled additional funds by posing as an IRS employee.

The division introduced an initiative for conducting background investigations to more timely assess a person's character, reputation and loyalty to the United States. Internal security centralized the program in a national office component, the centralized background investigations section (CBIS), and it is proving to be a more efficient and effective way to conduct background and security cases.

Employee protection is internal security's highest priority. Continued emphasis was placed on the employee protection program in terms of the prompt investigation of threats and assaults, and further refinement of the system to alert employees to potentially dangerous taxpayers (PDT's). The number of taxpayers designated as PDT's increased substantially during 1987. This may be due, in part, to an increase in the number of incidents reported by employees who are now more alert to taxpayers' threats.

An assault and threat task force was formed as a result of an independent study. One objective is to produce an assault and threat handbook to be used by IRS employees as a ready reference for questions related to assaults, threats, and security. Several districts are also being selected as test sites for implementing measures to improve employee safety and security.

INTERNAL AUDIT

The internal audit division conducts independent reviews and appraisals of all functional activities of the IRS. During 1987, internal audit concentrated its efforts in those areas which were of primary concern to management—the quality of operations and service to taxpayers.

The Tax Reform Act of 1986, because of its sweeping changes in the federal tax laws, will have a tremendous impact on taxpayers. Internal audit, in keeping with its mission to provide a service to management, established a tax reform coordinator in every region, initiated six audits of tax reform implementation activities so that management would have the benefit of internal audit appraisals on an on-going basis.

Internal audit is a member of the 1988 filing season readiness group and made a number of recommendations to improve IRS's implementation of the Tax Reform Act of 1986. For example, one internal audit review in the business income tax area showed that estimated payments for 1987 Forms 1041, U.S. Fiduciary Income Tax Return, have been processed to incorrect tax periods or as payments for individual income taxes, and over 40,000 payments did not initially post to accounts. Internal audit recommended, and management agreed that: (1) procedures

need to be established to process 1987 Forms 1041 payments upon receipt; (2) computer programs need to be in place to ensure payments post to the proper accounts; and (3) procedures need to be established to resolve unposted payments. Internal audit also made many recommendations to improve the 1987 tax forms, and most of these recommendations have been adopted by management.

Internal audit, because of the concern expressed that taxpayers may delay filing their new Forms W-4 and create significant under-withholding problems for themselves and reduced tax receipts to the government, conducted two surveys of employers to determine if the concerns were valid. These surveys provided timely, reliable data for the IRS Commissioner to respond to congressional concerns. Although the survey results were encouraging, internal audit still recommended that IRS should continue to encourage all taxpayers to promptly submit revised Forms W-4 to minimize any under-withholding and help prevent problems related to increased penalty assessments, delinquent accounts, and delinquent returns.

In 1987, $266.3 million in additional revenue and cost savings were realized from management actions on internal audit reports. An additional $462.1 million is projected on additional actions pending implementation.

INTEGRITY PROGRAM

The combined efforts of internal audit and internal security focus on programs to prevent and detect fraud. Internal audit's program includes conducting reviews of internal controls and related transactions susceptible to employee fraud. In one such review, internal audit reported that IRS had changed its procedures to monitor access to accounts of employees or their spouses. The new procedures did not allow reviewers to readily identify suspect unauthorized access or patterns of misuse. This control weakness permitted an employee to make multiple accesses to another employee's account and to process more than 40 fraudulent returns/refunds.

Internal security's program consists of tests of high-risk activities where there is potential for corruption that could affect IRS integrity. One of the probes conducted was a project designed for the purpose of identifying, monitoring and investigating persons who attempt to corrupt IRS employees involved in returns compliance measurement programs (RCMP) on preidentified illegal operations (i.e. gambling, prostitution). This project resulted in detecting several bribe offers, referrals to criminal investigation for tax violations, and large assessments involving delinquent Forms 940 and 941 taxes.

Internal security continued to make a concerted effort to foster concern about corruption, fraud and waste, and participated in presentations to new and incumbent employees to raise the employees' consciousness of the high standards expected of IRS employees and to provide guidance in the recognition of potential hazards.

STATISTICS OF INCOME (SOI)

IRS contributed to the implementation of the new tax reform legislation in many ways, but particularly by preparing tax return statistics for the Department of the Treasury's Office of Tax Analysis and Congressional Joint Committee on Taxation. These statistics are critical for determining the impact on revenue of existing and proposed legislation.

IRS issued statistics of income publications covering individual income tax returns for 1985 and corporate income tax returns for 1984, a source book showing detailed financial data for corporations for 1984 by industry. IRS also published the quarterly SOI Bulletin, which presents key data in advance of SOI reports or in place of SOI reports formerly published. IRS issued the individual income tax model for 1985, which is a microdata magnetic tape file consisting of selected income, deduction and tax items taken from a random sample of individual income tax returns. This file consists of approximately 100,000 unidentifiable records representing the 101 million returns filed. The primary use of the file is to simulate the administrative and revenue effects of tax law changes.

The SOI division played a major role in support of IRS's renewed emphasis on providing quality service to its customers. Specifically, the division provided continuing quality improvement support services, such as instructing, facilitating, and consulting for the quality training program. The division also assisted in several quality improvement projects involving various IRS functions.

DIRECTOR OF PRACTICE

The director of practice administers and enforces regulations for individuals who represent taxpayers before the IRS. During 1987, the start-up year mandating continuing professional education for those enrolled to practice before the IRS was concluded. The mandate of continuing education for a segment of the private sector is unique in the Treasury Department and was extremely successful in its implementation. Almost 23,000 people participated in the program.

At the end of 1986, a notice of proposed rule-making was published that would amend the regulations in Treasury Department Circular No. 230. The notice proposed a standard to be used by tax practitioners concerning advice on positions to be taken on tax returns and in tax return preparation. Over 500 comments were received last year, and a number of articles on the proposal were published. The comments were reviewed and evaluated and a meeting was held with representatives of the tax practitioner community to discuss alternatives available to resolve the issues raised. At the end of 1987, the proposal was being considered for appropriate resolution.

LEGISLATIVE AFFAIRS

Planning for the implementation of the Tax Reform Act of 1986 was one of the principal activities of the legislative affairs division during 1987. The division worked closely with the tax committees in the House and Senate, as well as the Joint Committee, as the tax reform bill moved into its final form. Even as the President signed the bill into law, the division was developing the Servicewide Implementation Plan, the agency's detailed planning document of all the actions IRS is undertaking to implement the new tax law. The division was also involved in communicating IRS's tax reform plans by conducting IRS executive seminars, issuing legislative affairs updates, and heading congressional outreach efforts.

Monitoring the progress of other tax and related legislation of interest to IRS is another vital role of the legislative affairs division. At the close of last year, the division was tracking 29 bills, including the Taxpayer Bill of Rights and the revenue-raising provisions being considered by the 100th Congress.

The division also develops legislative proposals and coordinates with other IRS activities in the drafting of legislation, prepares and monitors plans to implement newly enacted tax legislation, and develops testimony for IRS officials appearing before congressional committees.

Legislative affairs coordinated preparations and follow-up activities for 19 congressional hearings, handled 29 final and 13 draft General Accounting Office issuances, and received nearly 10,800 congressional telephone inquiries, and over 7,400 written congressional and other requests.

COMMITMENT TO QUALITY SERVICE

IRS expanded its efforts to provide quality products and services to its customers. The Commissioner's Quality Council, renamed the National Quality Council with the addition of two officials from the National Treasury Employees Union, guided IRS in massive training efforts, the implementation of quality service initiatives, and the installation of a servicewide quality improvement process.

The IRS Strategic Issues Plan was expanded to include a new area of concern, "Commitment to Quality Service." Five new initiatives approved by the Commissioner and his quality council are:

- Ensure that functional goals and program effectiveness measures reflect the commitment to quality service.
- Develop a greater concern for the customer.
- Identify and remove barriers to quality and foster a climate of innovation and creativity.
- Instill a commitment to quality.
- Adapt management information systems to track progress in meeting the commitment to quality service.

GENERAL ACCOUNTING OFFICE/IRS JOINT MANAGEMENT REVIEW

Recognizing the need to continue to improve the quality of the total system of management within IRS, the Commissioner invited the General Accounting Office's general government division to join with the agency in conducting a review of the structure and processes by which IRS is managed.

The Commissioner used preliminary data from the management review to help him in responding to several challenges, including the recent IRS organizational restructure. It is anticipated that the resulting final reports of this management review will reflect both the strengths and the weaknesses of IRS's managerial structure and processes and can be used as an aid in formulating IRS plans for continued improvement.

EQUAL EMPLOYMENT OPPORTUNITY

IRS made significant advances in its Equal Employment Opportunity (EEO) Program. This progress was partially reflected in the increase in the total number of women and minorities employed full-time by IRS.

A computer-based personnel management information system was used to generate affirmative action plan data for all planning and reporting units and to consolidate regional and servicewide data. Projects were also identified for future computerization.

IRS helped the Treasury Department design a new EEO investigator training course. Because of this course, IRS employees serving as EEO investigators are able to receive timely and relevant training, and the overall quality of investigators has improved.

A conference of all regional EEO officers was held to discuss the IRS implementation of the new five-year affirmative action plan process required by the Equal Employment Opportunity Commission.

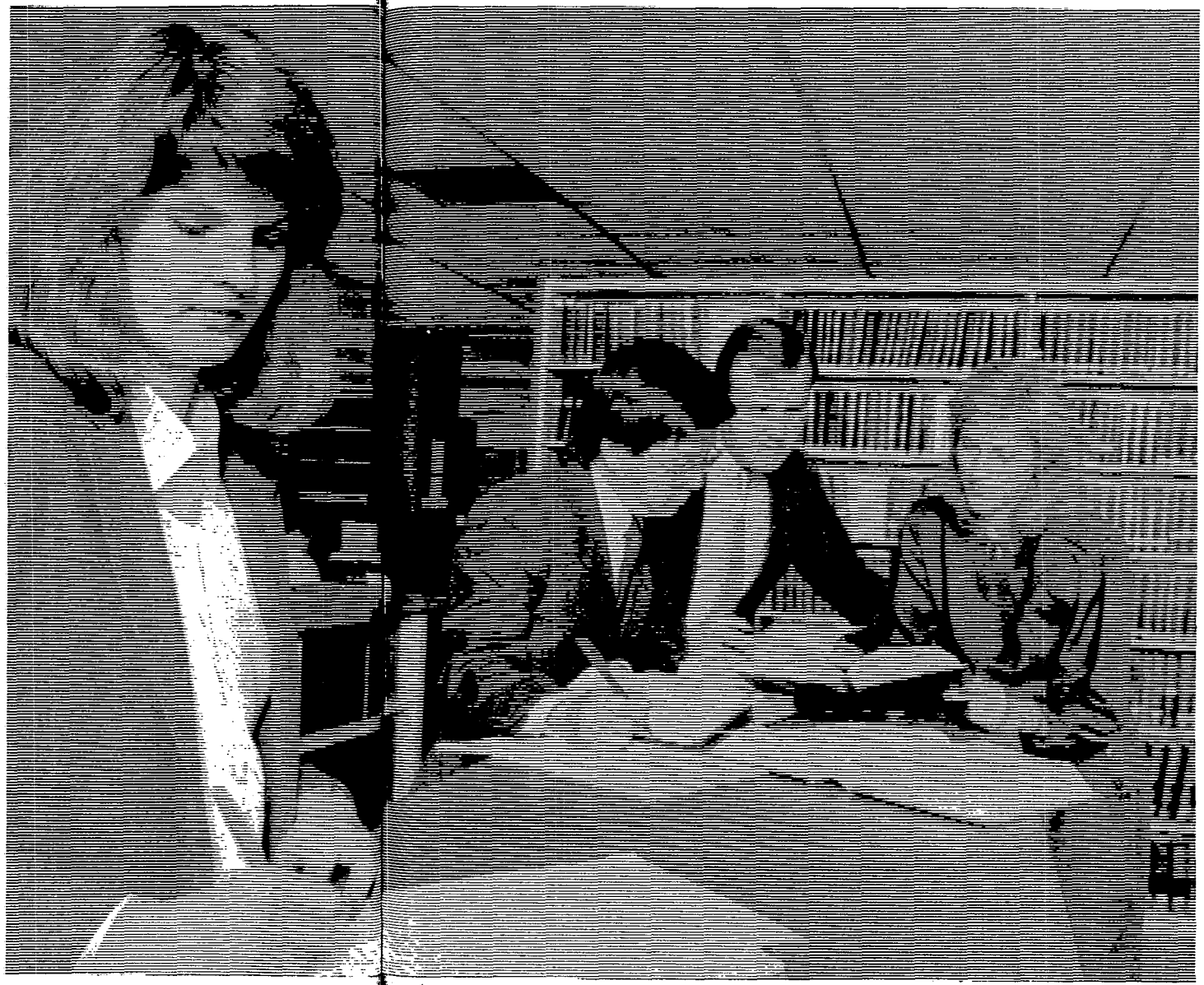
IRS continued its program with Historically Black Colleges and Universities (HBCUs) under Executive Order 12320. As a result, instructors in accounting and income tax have been provided at no cost to the host institutions. The role of instructors has included recruitment at the HBCUs.

A special project was initiated to determine how approximately 200 IRS braille users could obtain equipment and materials in a more timely and economical manner.

In addition to traditional special emphasis programs, IRS established two new initiatives—a servicewide Asian Pacific Employment Program and a Native American Employment Program. This action represents one of the measures taken to further enhance employment opportunities for Asian Pacific and Native American job applicants and employees.

CHIEF COUNSEL SECTION

The Office of Chief Counsel is the legal counsel for the Commissioner of Internal Revenue. Chief Counsel represents the Commissioner in cases filed with the U.S. Tax Court, advises the Department of Justice of the basis for the IRS position in other tax litigation and provides legal advice to IRS personnel. Chief Counsel prepares revenue rulings, revenue procedures, and regulations to provide guidance to the IRS and the public on new and proposed legislative changes.



TAX REFORM LEGISLATION

Chief Counsel was actively involved throughout the development of the Tax Reform Act of 1986 legislation. The principal representatives in the legislative process were the legislation and regulations division, the employee plans and exempt organizations division, and the international organization. However, all components in the Office of Chief Counsel were involved in the tax reform legislative process. Attorneys attended hearings and mark-up sessions, participated in drafting sessions, and analyzed and commented on many drafts of statutory language and committee reports. Many potential technical and administrative problems in the law were identified because of this involvement and corrected before enactment of the Act. Sections of the 1986 Act for which early guidance would be needed were also identified.

Another effort to provide prompt guidance under the 1986 Act was to close old regulations projects that were no longer needed. In late 1986, Chief Counsel closed 133 old regulations projects to make way for new ones. Some projects are closed to permit more efficient use of resources; however, the closing of a project does not necessarily mean that guidance will not be furnished in the area. Many issues in the closed projects will be included in projects under the 1986 Act. In other cases, the rulings divisions can provide guidance through revenue rulings, revenue procedures, or the private letter ruling process.

To implement prior legislation, guidance to the public was provided primarily through comprehensive regulations. Various vehicles are being used in implementing the Tax Reform Act of 1986, including notices, revenue rulings, regulations, announcements and news releases. Chief Counsel adopted a policy of addressing essential issues first and less important issues later in order to provide prompt guidance under the Act.

CORPORATION AND INDIVIDUAL TAX DIVISIONS

The corporation and individual tax divisions issue letter rulings and technical advice memoranda that interpret and apply the tax laws to specific sets of facts. The rulings divisions also respond to general information requests and are responsible for the development of revenue rulings and revenue procedures that are published in the Internal Revenue Bulletin.

The divisions published 17 revenue rulings and procedures on various aspects of the Tax Reform Act of 1986, and have 30 additional items pending publication.

Chief Counsel expanded procedures for issuing private letter rulings under Internal Revenue Code sections for which regulations have not been adopted. Historically, private letter rulings are issued in the absence of regulations only if the answer seems clear or reasonably certain. Revenue Procedure 87-7, 1987-2 I.R.B. 15, changed this procedure by listing Code sections affected by the Tax Reform Act for which IRS will do its best to issue rulings, even when the answer does not seem reasonably certain. Revenue Procedure 87-7 also provided that when the IRS has closed (or does not intend to open) a regulation project on a new or amended Code section, any ruling request under that Code section will be considered unless the issue is covered by a specific no-rule provision.

A reorganization of the rulings divisions balanced staffing and workload and further enhanced managerial effectiveness by giving first-line managers total program responsibility (rulings and publications) for tax areas under their jurisdiction and promoted the professional development of attorneys by expanding the jurisdictional areas of the Code handled by each branch.

An automated case tracking and management system for the revenue ruling program was a significant development. The system maintains statistical information concerning every step in the processing of a revenue ruling from the time a project is opened until it is closed.

EMPLOYEE PLANS AND EXEMPT ORGANIZATIONS DIVISION, INTERPRETATIVE DIVISION, AND LEGISLATION AND REGULATIONS DIVISION

These divisions were actively involved in implementing the Tax Reform Act by assisting in formulation of the legislation, drafting and legal review of proposed regulations under the Act, and legal review of proposed revenue rulings and IRS announcements implementing and clarifying new tax law provisions. Attorneys from these divisions also worked with IRS officials to resolve many statutory and administrative problems.

A task force from the employee plans and exempt organizations division and the Department of Labor coordinated efforts of the two agencies in the administration of "mirror image" provisions of the Internal Revenue Code and Title I of the Employee Retirement Security Act of 1974 (ERISA) relating to prohibited transactions involving employee plans. The task force sought to clarify the responsibilities and policies of each agency and to develop a joint administrative strategy.

INTERNATIONAL

A primary objective of the international office was to improve coordination last year between the office's regulatory guidance function (issuance of regulations, rulings and notices) and the litigation function for issues involving international transactions. International special trial attorneys were selected as liaisons in each of the seven regions. These attorneys specialize in international matters and advise the regional and district counsel and international examiners in the region.

The office worked with the assistant commissioner international to select issues which should receive close scrutiny at the examination level and to develop cases appropriate for litigation. The office participated in numerous continuing professional education seminars for international examiners to ensure a consistent and thorough application of international provisions of the Internal Revenue Code.

The office participated in several public seminars, and published more than forty-five revenue rulings, revenue procedures or notices as taxpayer guidance. Thirty-six new projects were initiated under the Tax Reform Act of 1986. Proposed regulations concerning the foreign tax credit and interest allocation were published.

CRIMINAL TAX

The criminal tax function performs a wide range of legal tasks concerning matters investigated by the criminal investigation division special agents. Attorneys provide advice and assistance to the agents in the gathering of evidence and prosecution potential of cases during the course of the investigation, and formally review cases for legal sufficiency before referral by IRS to the Department of Justice for prosecution.

Of particular noteworthiness during the last year were:

Criminal Trial Attorney Program: The Attorney General authorized eight docket attorneys in district counsel offices nationwide to prosecute criminal tax cases. This program benefits IRS by providing tax-knowledgeable attorneys in field offices who can try criminal tax cases.

Money Laundering Legislation: Counsel worked closely with criminal investigation and the Commissioner's staff in developing recently enacted legislation in the money laundering area. It can be expected that this legislation will have a significant impact on IRS operations in future years.

Successful prosecutions included several cases involving abusive tax shelter promoters.

DISCLOSURE LITIGATION

The disclosure litigation division assisted with the Government's defense in civil litigation using the disclosure statutes as a basis to challenge several key IRS programs. In the area of abusive tax shelters, an appellate court recently rejected a tax shelter promoter's disclosure challenge to prefiling notification letters sent to investors concerning the tax consequences of their transactions with the tax shelter.

In the lockbox program, under contract with Treasury and IRS, federal depositary bank employees assist in the processing of estimated federal tax payments by opening estimated tax return vouchers, recording the payments, and depositing payments into Government accounts before forwarding the vouchers to the IRS service centers for further processing and posting. The system allows quicker access to the funds and reduces the float-time at a considerable increase in interest earned on Government deposits. The legality of the bank employees' access to tax information for processing purposes was upheld in a United States District Court and is currently on appeal.

Under the Freedom of Information Act, in a victory for taxpayer privacy in particular and the tax system in general, the Supreme Court recently held that IRS is not required to release otherwise confidential tax data to members of the public upon the mere removal of identifying details.

GENERAL LITIGATION

The general litigation and collection functions reached an agreement with the Office of the Secretary of State of Connecticut to implement a system of electronic filing of notices of federal tax lien by the IRS and the electronic retrieval of such data by the state. This system makes the filing and retrieval of such information more cost efficient than the current manual practice, provides more timely and up-to-date information, and will be more error free than manual filing.

IRS district counsel attorneys directly represent the IRS's interests in bankruptcy rather than through another attorney in the U.S. Attorneys' Office in 37 offices. District counsel, with its broad knowledge of bankruptcy law and tax law, is well equipped to be of assistance and take immediate action. This program has assisted in avoiding the accrual of additional liabili-

		Court	Non-court	Total
RECEIPT AND DISPOSAL OF GENERAL LITIGATION CASES	Pending Oct. 1, 1986	20,685	1,556	22,241
	Received during year	26,427	6,787	33,214
	Disposed of	24,449	6,457	30,906
	Pending Sept. 30, 1987	22,663	1,886	24,549

ties in chapter 11 cases. The arrangement provides a fast and direct method of resolving disputes through negotiations with the outside bar.

The general litigation division worked with its tax litigation counterpart, the pension and actuarial staff of examination, and the Pension Benefit Guaranty Corporation (PBGC), in connection with collection matters relating to under-funded pension plans of bankrupt employers in large bankruptcies for excise taxes due because of employer under-funding of their pension plans. This helps PBGC in obtaining a larger settlement of its claim for the omitted pension funds, and in obtaining monies in satisfaction of taxes.

TAX LITIGATION

Chief Counsel devoted substantial resources to handling over 80,000 docketed cases in the United States Tax Court. The goal is to resolve these cases on a fair and reasonable basis as expeditiously as possible. New case tracking procedures were developed for early identification of cases which will be calendared for trial under the Tax Court's new first-in-first-out calendaring process.

The tax litigation division created a specialized staff to provide comprehensive litigation representation to the assistant commissioner, employee plans and exempt organizations, in the employee plan area. Litigation responsibility for Tax Court declaratory judgment cases was centralized in the division. The division worked with the field and national office functions to develop suitable cases for litigation.

During 1987, the number of docketed tax shelter cases increased to just over 58 percent of the Tax Court's inventory. Approximately three-fourths of docketed tax shelter cases are being handled as part of a litigation project. Each project is managed by a single attorney or team of attorneys, who, together with a key appeals officer, establishes a uniform settlement position. The project is also responsible for developing the litigation position for all investors within the particular project. This approach enhances consistent treatment for investors and more efficient settlement or litigation of cases.

The IRS announced the major settlement initiatives to address the backlog of nondocketed tax shelter cases pending in examination. The initiatives authorized examination to apply settlements (determined by Counsel or Appeals) in certain tax shelter cases. The purpose of the initiatives is to close tax shelter cases with finality on an agreed basis at the earliest administrative level possible, thereby precluding the necessity of litigation.

The tax litigation division took the lead in devising procedures to implement the partnership procedures enacted by the Tax Equity and Fiscal Responsibility Act (TEFRA). Personnel met with the Tax Court and representatives of the private tax bar to resolve procedural issues, drafted proposed settlement rules for the Tax Court, initiated technical correction legislation, and argued several major motions before the Tax Court which have resulted in a number of key opinions in this area. The division also developed a computerized tracking system for TEFRA partnership cases.

Approximately thirty special trial attorneys are assigned the most significant trial work in the United States Tax Court. These well-experienced trial attorneys are given extra resources to develop and try their cases. This year a number of these cases came to trial, and the Government received several notable opinions, including some in the abusive tax shelter area and in the petroleum industry.

		District Courts			Claims Court			Total		
	Status	Number of cases	Amount in (3) dispute	Amount in (4) suits	Number of cases	Amount in (3) dispute	Amount in (4) suits	Number of cases	Amount in (3) dispute	Amount in (4) suits
TAX LITIGATION—REFUND SUITS (1) (In thousands of dollars)	Pending Oct. 1, 1986	2,958	$686,394		955	$1,236,915		3,913	$1,923,309	
	Received (6)	902	291,781		181	237,639		1,085	529,420	
	Disposed (2)	689	72,994		124	64,117		813	137,111	
	Amount in suits (4)			$44,608			$63,519			$108,127
	Amount not refunded (5)			38,792			42,204			80,996
	Percent not refunded			87			66			75
	Pending Sept. 30, 1987	3,171	905,181		1,012	1,410,437		4,185	2,315,618	

(1)Cases in courts of appeals 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, assessed interest and counterclaim amounts.
(4)Amount of taxes, penalties and assessed interest sought as a refund.
(5)That portion of the amount sought as a refund, which was not refunded to the taxpayer.
(6)Received statistics include adjustments to prior years' receipts.

INDUSTRY SPECIALIZATION PROGRAM

During the year, certain designated field and National Office attorneys advised revenue agents on development and evaluation of evidence and on technical positions for important tax issues found prevalent in major industries. Certain cases were designated for litigation of key issues.

ADMINISTRATIVE APPEALS

The appeals division is responsible for resolving tax controversies, without litigation, on a basis that is fair to both the Government and the taxpayer, and in a way that enhances voluntary compliance and public confidence in the tax system. Appeals officers, located in major cities, meet with taxpayers and their representatives and are usually successful in resolving the disputed issues.

To encourage taxpayers to resolve their disputes administratively before petitioning the Tax Court, IRS simplified the requirement for requesting appeals consideration of issues raised in examinations conducted at a taxpayer's or a representative's place of business. Where the amount in dispute from such a field examination exceeds $2,500 but does not exceed $10,000 for any taxable period; the taxpayer needs to submit only a brief written statement of disputed issues with the reason for disagreement rather than a formal, legal-type of protest. With this change, the requirements for requesting appeals consideration in any case are either similar to or less than the requirements to petition the Tax Court.

A large number of the cases the appeals division resolves are tax shelters. The settlement provisions in a tax shelter promotion are offered to all investors in that shelter. Under IRS's Tax Shelter Initiative, announced in April 1987, appeals furnishes information on its shelter settlements to examination so that investor cases there may be resolved on the same basis as in appeals.

Appeals also has responsibility for providing specialized valuation assistance throughout IRS and to other government agencies on tax-related fair market value determinations for financial assets, real estate, art objects, and intangible property. During the year, the art advisory panel of outside experts considered 1,500 items with claimed values of $97 million; the panel recommended $17 million of changes to the value of these items.

Appeals has continued working with examination on development of the Automated Examination System. This system, when implemented, will enable many processes to be done electronically, such as tax, interest, and penalty computations. The speed and accuracy of appeals' service to the taxpayer should increase.

GENERAL LEGAL SERVICES

The general legal services division (GLS) provides legal services to the IRS with respect to wide-ranging miscellaneous legal matters.

All legal work for the expanding refund offset program was provided by GLS. Under this program, amounts that taxpayers owe other governmental agencies are collected by offsetting those amounts against tax refunds owed the taxpayer. Last year, IRS collected considerable sums for several agencies participating in the refund offset program; continued the delinquent child support program on behalf of the fifty states, and defended the refund offset program in several lawsuits. GLS also provided advice to the criminal investigation division to implement the forfeiture proceedings under the Anti-Drug Abuse Act of 1986 and with respect to actual forfeitures under the program, and worked with the legislation and regulations division to draft applicable regulations.

The division provided training to IRS and Treasury personnel on government contracting principles; assisted the IRS in drafting the mission, organization, and procedures for several implementation groups; and continued to defend actions when IRS employees were sued in connection with their tax enforcement activities.

OPERATIONS DIVISION

The first Computer Information Center in the IRS was established to provide nationwide responsibility for all computer use support for Chief Counsel. A key automation project is the Counsel Automated Systems Environment, which will enable Counsel to reduce the backlog of tax court cases and provide faster service to taxpayers (e.g. better rulings) without reducing quality.

Field testing was started on a pilot laser disc research system featuring a new CD Rom laser disc technology, as a possible fixed-cost alternative to present legal research systems. The project will test access to the laser disc system via a local area network.

Due to the increasing number of paralegals in Chief Counsel, an in-depth training program was developed for new field paralegals. The program focuses on criminal tax, general litigation, and tax litigation, besides covering general paralegal skills such as legal research and writing, ethics and disclosure, and statutes of limitation.

	Region	Pending Oct. 1, 1986	Received*	Disposed	Pending Sept. 30, 1987
REGIONAL OFFICES CASELOAD REPORT ALL CASES	North Atlantic	15,936	11,357	10,143	17,150
	Mid-Atlantic	14,440	8,806	8,999	14,247
	Southeast	11,759	9,783	10,286	11,256
	Central	9,925	8,422	7,244	11,103
	Midwest	11,208	8,403	7,893	11,718
	Southwest	16,138	13,629	12,470	17,297
	Western	45,990	23,103	24,122	44,971
	Total regions	125,396	83,503	81,157	127,742
	National office	2,322	1,160	280	3,202
	Grand total	127,718	84,663	81,437	130,944

*Received statistics are net numbers, i.e., actual number of cases received plus or minus transfers and adjustments to prior years' receipts.

		Total	Taxpayers' Requests	Field Requests
REQUESTS FOR TAX RULINGS AND TECHNICAL ADVICE (CLOSINGS)	Total	22,502	22,165	337
	Administrative provisions	163	145	18
	Changes in accounting methods	4,135	4,135	—
	Changes in accounting periods	10,725	10,725	—
	Earnings and profits and determinations	1,469	1,469	—
	Employment and self-employment taxes	977	959	18
	Estate and gift taxes	488	415	73
	Excise taxes	203	166	37
	Individual income tax matters	2,238	2,204	34
	Corporation tax matters	2,104	1,947	157

	Type	Number
REVENUE RULINGS AND REVENUE PROCEDURES PUBLISHED	Administrative	50
	Employment taxes	2
	Estate and gift taxes	1
	Excise taxes	7
	Exempt organizations	1
	Income taxes	128
	Employee plans	7
	Tax conventions	6
	Total	202

	Action		Claims Court 1986	Claims Court 1987	District Court 1986	District Court 1987	Total 1986	Total 1987
TRIAL COURT CASE RECORD (Opinions rendered—refund litigation)	Decided in favor of the government	Number	46	69	282	325	328	394
		Percent	76.7	85.2	71.8	80.4	72.4	81.2
	Decided in favor of the taxpayer	Number	11	9	90	68	101	77
		Percent	18.3	11.1	22.9	16.8	22.3	15.9
	Decided partially for taxpayer and partially for the government	Number	3	3	21	11	24	14
		Percent	5.0	3.7	5.3	2.7	5.3	2.9
	Total opinions		60	81	393	404	453	485

	Prevailing party (by decision line)		Summary & small tax case bench opinions 1986	Summary & small tax case bench opinions 1987	Published, memorandum & regular bench opinions 1986	Published, memorandum & regular bench opinions 1987	Total 1986	Total 1987
UNITED STATES TAX COURT—OPINIONS	Decided in favor of the government	Number	354	240	351	285	705	525
		Percent	53.4	50.3	39.9	31.6	45.7	38.1
	Decided in favor of the taxpayer	Number	30	22	31	50	61	72
		Percent	4.5	4.6	3.5	5.5	4.0	5.2
	Decided—Rule 155	Number	268	204	396	461	664	665
		Percent	40.4	42.8	45.0	51.1	43.0	48.2
	Miscellaneous	Number	11	11	102	106	113	117
		Percent	1.7	2.3	11.6	11.8	7.3	8.5
	Total opinions		663	477	880	902	1,543	1,379

		All Tax Court Cases: Number of cases (1)	All Tax Court Cases: Taxes and penalties In dispute	All Tax Court Cases: Taxes and penalties Determined	Small Tax Cases: Number of cases	Small Tax Cases: Taxes and penalties In dispute	Small Tax Cases: Taxes and penalties Determined
UNITED STATES TAX COURT CASES (in thousands of dollars)	Pending Oct. 1, 1986 (2)	89,686	$17,342,807		14,512	$50,763	
	Received	43,496	7,534,258		14,230	87,361	
	Disposed	45,366	3,003,629	$1,019,757	14,954	47,327	$22,005
	Pending Sept. 30, 1987	87,816	21,873,436		13,788	90,797	

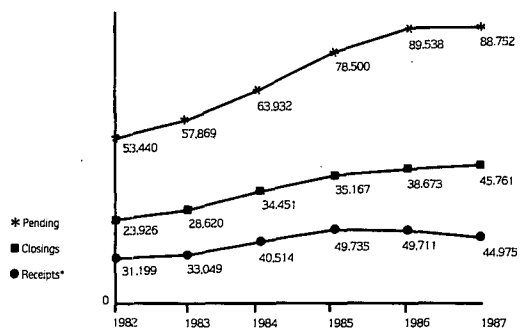
(1)Excludes income, profits, estate and gift and declaratory judgment cases.
(2)Reflects Office of Chief Counsel statistics as opposed to U.S. Tax Court statistics.

	Prosecution cases received from criminal investigation	
RECEIPT AND DISPOSAL OF CRIMINAL TAX MATTERS	Total opened	3,526
	Total closed	3,394
	Counsel declined	41
	Department of Justice declined	145
	U.S. attorney declined	340
	Prosecutions completed	2,868
	Opinions	
	Pending Oct. 1, 1986	22
	Total requested	43
	Total rendered	41
	Pending Sept. 30, 1987	24

	Action		Courts of Appeals 1986	Courts of Appeals 1987	Supreme Court 1986	Supreme Court 1987
APPELLATE COURT CASE RECORD (1)	Decided in favor of the government	Number	428	332	3	5
		Percent	87.5	85.3	75.0	83.3
	Decided in favor of the taxpayer	Number	47	45	1	1
		Percent	9.6	11.6	25.0	16.7
	Decided partially for taxpayer and partially for the government	Number	14	12	—	—
		Percent	2.9	3.1	—	—
	Total opinions		489	389	4	6

(1) Refund suits and tax court cases.

TAX LITIGATION WORKLOAD
(Tax court cases and cases on appeal)



*Received statistics are net numbers, i.e., actual number of cases received plus or minus transfers and adjustments to prior years' receipts.

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

Internal revenue regions and districts, states and other areas. 1 (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Total internal revenue collections (1)	Individual income and employment taxes: Corporation income tax 2 (2)	Total (3)	Income tax not withheld and SECA 3, 4 (4)	Income tax withheld and FICA 5 (5)	Railroad retirement (6)	Unemployment insurance (7)	Estate tax (8)	Gift tax (9)	Excise taxes, total (sum of columns 11, 12, 17, 21 and 29) (10)
United States, total	886,290,590	102,858,985	742,452,955	156,944,748	575,124,673	4,151,534	6,232,000	7,184,681	502,989	33,310,980
North-Atlantic Region	158,410,372	20,696,512	133,743,438	27,777,366	104,867,263	228,518	870,292	1,460,332	124,530	2,385,561
Albany (See (d) below)	8,797,751	781,556	7,938,872	1,003,774	6,879,095	7,423	48,580	31,253	976	45,094
Augusta (Maine)	2,678,126	248,317	2,341,372	610,173	1,707,004	4,403	19,791	22,892	128	65,416
Boston (Massachusetts)	27,969,097	3,228,641	24,064,477	5,234,327	18,594,341	30,929	204,880	228,203	5,970	441,806
Brooklyn (See (d) below)	16,971,680	1,192,156	15,506,436	4,762,856	10,545,701	90,202	107,677	126,505	15,071	131,713
Buffalo (See (d) below)	11,626,020	1,169,408	10,108,320	1,680,383	8,343,292	3,539	81,107	77,234	608	270,450
Burlington (Vermont)	1,291,720	134,201	1,123,374	306,755	801,733	5,484	9,402	6,876	200	27,068
Hartford (Connecticut)	21,616,507	2,715,792	18,355,624	3,790,468	14,507,271	(522)	58,408	200,851	4,147	340,092
Manhattan (See (d) below)	60,123,344	10,892,215	47,985,837	8,626,882	38,785,503	85,418	288,034	727,803	95,797	921,691
Portsmouth (New Hampshire)	3,594,738	303,164	3,165,042	916,315	2,225,146	12	23,568	19,764	959	105,810
Providence (Rhode Island)	3,741,190	531,062	3,154,084	545,432	2,478,177	1,531	28,845	18,950	674	36,420
Mid-Atlantic Region[5]	134,981,317	15,775,878	114,070,196	21,777,557	90,051,093	1,297,430	944,116	902,533	75,480	4,157,228
Baltimore (Maryland & D.C.)	28,040,994	2,675,072	24,351,443	3,931,341	20,000,735	335,484	83,884	178,519	10,394	833,566
Newark (New Jersey)	41,507,251	4,962,929	34,920,749	7,118,047	27,579,980	40,865	181,656	239,084	25,111	1,359,379
Philadelphia (See (f) below)	27,744,424	3,113,633	23,837,914	4,793,116	18,234,815	478,666	331,318	200,000	16,610	576,266
Pittsburgh (See (f) below)	13,352,041	1,530,625	11,451,651	1,964,945	9,285,526	26,748	174,432	91,209	4,652	273,903
Richmond (Virginia)	18,785,244	1,977,207	15,571,498	3,460,442	11,571,103	415,623	124,331	175,211	16,850	1,044,478
Wilmington (Delaware)	5,543,363	1,516,412	3,936,941	509,666	3,378,935	45	48,295	18,511	1,863	69,636
Southeast Region	119,477,115	12,579,690	99,143,292	25,667,471	72,207,437	509,833	758,552	1,108,130	81,251	6,564,758
Atlanta (Georgia)	19,572,213	2,946,179	15,144,972	3,048,507	11,856,380	2,309	137,776	153,652	19,593	1,307,817
Birmingham (Alabama)	8,590,472	740,065	7,544,250	1,521,337	5,957,171	3,045	62,698	61,280	4,326	240,550
Columbia (South Carolina)	6,552,360	590,838	5,749,911	1,239,335	4,456,891	817	52,868	47,213	1,013	163,385
Ft.Lauderdale (See (b) below)	15,885,960	764,507	14,438,863	7,077,721	7,269,436	(24)	91,730	284,519	31,790	366,281
Greensboro (North Carolina)	19,489,063	2,579,635	13,917,060	2,880,263	10,902,940	1,141	132,711	130,002	3,577	2,658,807
Jackson (Mississippi)	3,716,910	406,900	3,108,726	758,314	2,310,418	8,887	31,107	24,581	247	176,457
Jacksonville (See (b) below)	20,042,939	1,900,400	17,267,264	4,106,358	12,597,082	484,516	79,306	202,423	5,699	667,153
Little Rock (Arkansas)	4,680,820	789,291	3,861,284	846,033	2,970,793	3,342	41,111	25,093	2,418	202,734
Nashville (Tennessee)	12,549,265	1,390,694	10,631,727	2,409,052	8,198,401	2,539	21,735	90,004	6,106	430,733
New Orleans (Louisiana)	8,197,096	471,182	7,479,234	1,780,539	5,987,926	3,250	107,509	89,382	6,481	150,837
Central Region	109,148,774	12,219,730	91,927,452	14,095,578	76,852,641	96,938	882,295	588,600	73,512	4,339,481
Cincinnati (See (e) below)	16,602,530	2,689,076	13,431,994	2,253,457	10,994,602	235	183,700	132,445	8,429	340,586
Cleveland (See (e) below)	23,499,666	2,437,790	19,717,206	2,834,402	16,613,206	18,730	250,868	119,498	35,877	1,189,295
Detroit (Michigan)	29,886,463	4,817,178	34,095,966	4,453,809	29,314,432	62,620	265,106	153,547	18,987	800,785
Indianapolis (Indiana)	17,798,777	1,344,997	15,838,518	2,517,461	13,221,436	10,323	89,291	89,908	8,412	516,942
Louisville (Kentucky)	8,465,550	775,239	6,238,978	1,460,986	4,720,679	4,710	52,603	65,098	1,339	1,384,897
Parkersburg (West Virginia)	2,895,789	155,450	2,604,789	575,456	1,988,287	321	40,726	28,105	470	106,975
Midwest Region	124,869,494	17,532,051	102,557,697	19,169,461	81,203,717	1,234,182	950,336	851,821	57,547	3,870,377
Aberdeen (South Dakota)	1,241,889	78,806	1,112,193	325,251	776,910	1,869	8,163	6,927	22	43,941
Chicago (See (c) below)	44,760,353	6,645,323	36,198,396	7,067,636	28,424,101	277,576	429,083	348,800	23,495	1,544,339
Des Moines (Iowa)	6,329,925	868,848	5,235,787	1,354,439	3,833,432	8,098	39,818	53,112	1,147	173,031
Fargo (North Dakota)	1,294,771	68,055	1,173,255	354,135	811,375	46	7,700	8,433	25	35,003
Helena (Montana)	1,536,786	258,320	1,210,826	347,650	853,900	390	8,686	10,278	79	57,282
Milwaukee (Wisconsin)	14,231,311	1,917,613	11,629,526	2,113,671	9,612,158	7,414	96,282	93,032	7,501	383,639
Omaha (Nebraska)	5,175,895	491,537	4,516,433	844,080	3,166,952	478,121	27,271	34,882	1,182	131,861
St. Louis (Missouri)	21,239,175	3,423,682	16,865,750	2,862,114	13,837,955	32,492	133,189	155,435	14,686	779,623
St. Paul (Minnesota)	20,331,832	2,403,831	17,279,220	2,459,320	14,288,861	416,186	114,854	83,154	6,638	558,988
Springfield (See (c) below)	8,737,558	1,378,037	7,136,311	1,441,159	5,598,073	11,990	85,089	57,768	2,772	162,670
Southwest Region	85,121,784	7,604,339	81,094,683	18,852,465	61,398,333	363,562	480,323	816,824	42,396	5,563,522
Albuquerque (New Mexico)	2,688,271	208,170	2,322,658	554,436	1,736,727	201	31,294	23,207	737	133,500
Austin (See (g) below)	11,450,747	616,036	10,416,090	2,638,796	7,831,930	2,233	(56,869)	114,433	7,004	297,184
Cheyenne (Wyoming)	976,279	36,364	873,724	330,280	537,920	20	5,504	7,922	262	58,006
Dallas (See (g) below)	24,490,441	2,094,470	20,407,030	4,963,679	15,243,416	31,184	166,751	225,295	13,821	1,749,824
Denver (Colorado)	13,049,577	851,675	11,759,358	2,034,806	9,628,162	31,968	63,420	65,699	2,952	369,893
Houston (See (g) below)	15,728,331	1,413,658	12,342,121	2,813,542	9,421,912	12,909	93,758	104,219	6,516	1,861,818
Oklahoma City (Oklahoma)	8,232,680	905,618	6,643,421	1,472,700	5,122,141	433	48,147	115,018	5,783	562,839
Phoenix (Arizona)	8,159,163	606,192	7,271,106	1,982,802	5,230,480	526	57,287	94,720	4,139	183,006
Salt Lake City (Utah)	3,367,444	305,736	2,906,191	605,742	2,275,100	2,069	23,260	16,200	44	139,273
Wichita (Kansas)	6,978,831	566,420	6,152,984	1,455,681	4,369,545	281,996	45,761	50,110	1,138	208,180
Western Region	132,427,198	13,717,515	113,833,790	28,458,354	84,263,420	335,309	776,708	1,245,805	46,059	3,584,028
Anchorage (Alaska)	1,514,239	65,158	1,421,708	307,067	1,106,200	—	8,422	4,761	54	22,557
Boise (Idaho)	2,209,929	261,231	1,879,974	359,569	1,488,887	14,568	16,950	13,430	95	55,199
Honolulu (Hawaii)	2,809,135	254,775	2,479,536	617,109	1,844,961	(12)	17,478	26,753	2,587	45,484
Laguna Niguel (See (a) below)	21,490,185	2,105,467	18,955,836	5,525,136	13,274,467	469	155,765	184,814	8,687	235,380
Las Vegas (Nevada)	3,501,533	466,955	2,934,973	947,953	1,962,578	10	24,430	41,895	1,856	55,854
Los Angeles (See (a) below)	35,461,744	5,092,873	29,163,689	6,712,804	22,221,548	269	229,068	380,295	13,520	811,366
Portland (Oregon)	7,166,030	789,188	6,087,244	1,397,376	4,669,457	11,798	8,613	54,977	521	234,100
Sacramento (See (a) below)	9,820,617	588,787	8,958,387	3,093,433	5,794,946	1,571	68,437	88,027	4,765	280,651
San Francisco (See (a) below)	19,540,287	1,952,226	15,988,533	3,638,554	12,394,998	304,137	50,943	222,763	6,534	1,379,232
San Jose (See (a) below)	15,023,545	1,042,032	13,616,835	3,502,407	10,010,740	1,230	102,458	138,899	3,148	222,631
Seattle (Washington)	13,780,954	1,098,825	12,347,074	2,756,924	9,494,637	1,268	94,245	89,191	4,291	241,573
International[5]	8,789,867	2,130,989	4,423,606	880,983	3,472,571	21,990	48,062	19,781	2,213	213,298
Puerto Rico	1,430,448	107,377	1,134,213	74,239	1,031,525	(1)	28,450	540	17	188,301
Other	5,359,420	2,023,592	3,289,393	806,744	2,441,046	21,992	19,612	19,241	2,196	24,997
Undistributed:										
Federal tax deposits[6]	2,096,974	559,633	1,296,674	—	1,257,764	63,773	(24,863)	—	—	240,667
Gasoline, lubricating oil and excess FICA credits[7]	638,341	42,667	595,674	595,674	—	—	—	—	—	—
Clearing account for excise taxes—aviation fuel and oil—Air Force and Navy	(9)	—	—	—	—	—	—	—	—	(9)
Presidential election campaign fund[8]	33,179	—	33,179	—	33,179	—	—	—	—	—
Earned income credits[9]	63,334	—	63,334	—	63,334	—	—	—	—	—
Other[10]	2,232,864	—	(330,062)	(330,161)	(546,081)	—	546,180	170,856	—	2,392,070
Totals for states not shown above										
(a) California	101,445,378	10,781,385	86,683,281	22,072,335	63,696,700	307,676	606,570	1,014,797	36,655	2,929,260
(b) Florida	35,928,899	2,664,907	31,706,128	11,184,060	19,866,518	484,492	171,038	486,942	37,488	1,033,434
(c) Illinois	53,497,911	8,023,360	43,334,707	8,508,796	34,022,174	289,566	514,172	406,568	26,267	1,707,008
(d) New York	97,518,995	13,535,334	81,539,465	16,273,895	64,553,592	186,581	525,398	962,795	112,452	1,368,948
(e) Ohio	40,102,195	5,126,866	33,149,200	5,087,859	27,607,807	18,966	434,568	251,943	44,305	1,529,882
(f) Pennsylvania	41,096,465	4,644,258	35,289,565	6,758,062	27,520,341	505,750	505,750	291,209	21,263	850,170
(g) Texas	51,669,519	4,124,164	43,165,241	10,416,016	32,497,259	46,326	205,640	443,947	27,342	3,908,826

Table 1.—Continued
(in thousands of dollars)

Internal revenue regions and districts, states and other areas. 1 (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Alcohol and tobacco 11 (11)	Manufacturers' excise taxes: Total (12)	Gasoline (13)	Tires (wholly or in part of rubber) inner tubes and tread rubber (14)	Black lung (15)	Recreational excise taxes 12 (16)
United States, total	11,097,677	10,221,574	9,163,790	296,408	574,769	186,606
North-Atlantic Region	598,702	573,891	475,447	30,483	16,631	51,329
Albany (See (d) below)	434	17,204	17,021	53	—	130
Augusta (Maine)	1,697	40,207	40,160	5	—	42
Boston (Massachusetts)	113,876	174,272	162,595	640	305	10,731
Brooklyn (See (d) below)	2,589	82,390	81,296	556	2	536
Buffalo (See (d) below)	90,060	99,000	81,062	15,842	—	2,096
Burlington (Vermont)	52	14,096	13,323	6	—	768
Hartford (Connecticut)	122,921	88,473	42,044	5,789	16,052	24,588
Manhattan (See (d) below)	197,009	29,272	13,887	7,570	271	7,544
Portsmouth (New Hampshire)	70,031	10,707	6,003	22	—	4,681
Providence (Rhode Island)	63	18,269	18,055	—	—	214
Mid-Atlantic Region 5	1,377,285	776,683	560,566	29,557	147,325	39,135
Baltimore (Maryland & D.C.)	368,647	65,121	45,213	15,973	1,166	2,769
Newark (New Jersey)	213,515	98,064	78,418	11,587	1	8,058
Philadelphia (See (f) below)	4,358	280,806	253,952	1,768	19,144	5,942
Pittsburgh (See (f) below)	3,868	171,439	85,400	86	85,892	61
Richmond (Virginia)	786,858	127,960	83,451	243	41,123	3,144
Wilmington (Delaware)	40	33,293	14,132	—	—	19,160
Southeast Region	3,156,937	1,112,592	994,554	63,038	36,352	18,649
Atlanta (Georgia)	455,122	205,094	203,970	202	5	917
Birmingham (Alabama)	3,897	99,473	80,474	18	16,765	2,214
Columbia (South Carolina)	1,597	111,313	57,426	51,663	74	2,150
Ft.Lauderdale (See (b) below)	287	28,228	23,865	47	61	4,254
Greensboro (North Carolina)	2,339,929	197,679	196,832	482	—	364
Jackson (Mississippi)	57	68,364	67,604	333	-	428
Jacksonville (See (b) below)	192,432	148,894	143,882	213	333	4,467
Little Rock (Arkansas)	18,726	83,388	80,564	(25)	269	2,580
Nashville (Tennessee)	112,471	117,406	88,044	10,053	18,844	456
New Orleans (Louisiana)	32,419	52,754	51,892	53	1	808
Central Region	1,716,035	1,453,540	1,106,175	128,180	209,059	10,126
Cincinnati (See (e) below)	168,797	56,570	43,681	4	12,795	90
Cleveland (See (e) below)	42,613	715,153	561,642	128,564	23,823	925
Detroit (Michigan)	301,558	239,534	231,524	(438)	1,564	6,883
Indianapolis (Indiana)	186,852	102,189	94,179	26	6,664	1,321
Louisville (Kentucky)	1,015,719	258,156	152,131	16	105,810	198
Parkersburg (West Virginia)	495	81,939	22,818	8	58,404	709
Midwest Region	504,999	1,423,592	1,322,274	(1,031)	67,644	34,705
Aberdeen (South Dakota)	47	21,880	20,165	47	1,511	203
Chicago (See (c) below)	171,382	543,003	527,367	(1,295)	8,186	8,746
Des Moines (Iowa)	11,337	72,783	66,698	85	210	5,790
Fargo (North Dakota)	144	15,111	15,103	16	—	(8)
Helena (Montana)	2,267	29,811	24,358	2	5,315	137
Milwaukee (Wisconsin)	110,710	121,634	119,087	5	—	2,541
Omaha (Nebraska)	58	41,552	30,850	114	9,813	775
St. Louis (Missouri)	142,248	350,462	312,002	11	37,302	1,147
St. Paul (Minnesota)	54,719	150,478	135,175	30	1	15,272
Springfield (See (c) below)	12,087	76,878	71,489	1	5,305	102
Southwest Region	290,342	3,259,237	3,160,153	323	85,739	13,022
Albuquerque (New Mexico)	842	54,932	50,250	1	4,666	15
Austin (See (g) below)	57,537	182,445	182,156	4	32	253
Cheyenne (Wyoming)	33	33,940	23,979	1	9,630	130
Dallas (See (g) below)	67,487	910,901	908,870	150	1,205	677
Denver (Colorado)	101,554	132,462	104,699	(100)	25,714	2,148
Houston (See (g) below)	54,433	1,197,942	1,184,883	7	12,807	245
Oklahoma City (Oklahoma)	91	455,219	436,404	2	18,169	644
Phoenix (Arizona)	5,218	103,988	102,573	256	35	1,123
Salt Lake City (Utah)	24	61,785	61,995	-	12,334	7,456
Wichita (Kansas)	3,123	105,622	104,343	1	947	331
Western Region	891,139	1,621,062	1,544,593	44,914	12,019	19,536
Anchorage (Alaska)	167	5,759	4,974	—	782	3
Boise (Idaho)	119	23,604	23,524	1	2	78
Honolulu (Hawaii)	6,006	7,285	7,031	89	-	166
Laguna Niguel (See (a) below)	1,050	70,576	33,847	30,619	—	6,110
Las Vegas (Nevada)	62	7,059	7,024	1	—	34
Los Angeles (See (a) below)	53,313	585,596	567,405	8,913	3,843	5,435
Portland (Oregon)	39,368	127,133	123,974	88	487	2,584
Sacramento (See (a) below)	83,384	190,742	189,426	2	—	1,314
San Francisco (See (a) below)	646,560	491,202	481,094	4,717	4,484	907
San Jose (See (a) below)	9,745	53,959	53,505	5	—	449
Seattle (Washington)	41,367	58,147	52,789	480	2,422	2,456
International 5	170,166	977	28	844	—	105
Puerto Rico	170,159	28	28	—	—	—
Other	7	949	—	844	—	105
Undistributed:						
Federal tax deposits[6]	—	—	—	—	—	—
Gasoline, lubricating oil and excess FICA credits[7]	—	—	—	—	—	—
Clearing account for excise taxes—aviation fuel and oil—Air Force and Navy	—	—	—	—	—	—
Presidential election campaign fund[8]	—	—	—	—	—	—
Earned income credits[9]	—	—	—	—	—	—
Other[10]	2,392,070	—	—	—	—	—
Totals for states not shown above						
(a) California	804,052	1,292,075	1,325,277	44,255	8,327	14,216
(b) Florida	192,720	177,122	167,747	260	394	8,721
(c) Illinois	183,469	619,881	598,836	(1,294)	13,491	8,848
(d) New York	290,061	227,867	193,266	24,021	274	10,306
(e) Ohio	211,410	771,723	505,523	128,568	36,618	1,014
(f) Pennsylvania	8,225	452,245	339,352	1,654	105,035	6,003
(g) Texas	179,457	2,291,288	2,275,909	161	14,044	1,175

Table 1.—Continued
(in thousands of dollars)

Internal revenue regions and districts, states and other areas.[1] (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Retailers' and special fuel taxes: Total (17)	Diesel fuel (18)	Non-commercial aviation fuel (19)	Motor vehicle chassis, bodies, parts and accessories (20)
United States, total	3,762,284	2,659,404	82,328	1,020,553
North-Atlantic Region	225,544	145,005	6,058	74,482
Albany (See (d) below)	18,914	11,597	157	7,161
Augusta (Maine)	18,499	12,150	232	6,118
Boston (Massachusetts)	53,064	33,352	805	18,907
Brooklyn (See (d) below)	20,408	14,984	982	4,442
Buffalo (See (d) below)	48,613	36,425	842	11,346
Burlington (Vermont)	9,189	3,733	107	5,349
Hartford (Connecticut)	22,495	13,841	1,052	7,602
Manhattan (See (d) below)	8,061	5,058	1,556	1,446
Portsmouth (New Hampshire)	19,263	9,781	202	9,280
Providence (Rhode Island)	7,036	4,064	123	2,831
Mid-Atlantic Region 5	411,302	270,906	14,500	125,895
Baltimore (Maryland & D.C.)	53,543	34,119	402	19,023
Newark (New Jersey)	83,665	45,172	7,314	31,179
Philadelphia (See (f) below)	123,786	77,565	658	45,563
Pittsburgh (See (f) below)	54,912	40,168	3,071	11,673
Richmond (Virginia)	73,037	57,157	1,284	14,596
Wilmington (Delaware)	22,358	16,726	1,771	3,861
Southeast Region	713,207	502,417	15,224	195,566
Atlanta (Georgia)	111,206	84,641	2,421	24,145
Birmingham (Alabama)	60,477	39,258	769	20,449
Columbia (South Carolina)	35,158	27,137	1,103	6,918
Ft Lauderdale (See (b) below)	85,270	71,942	1,588	11,640
Greensboro (North Carolina)	109,579	66,821	1,770	40,988
Jackson (Mississippi)	40,560	29,255	524	10,781
Jacksonville (See (b) below)	99,775	71,576	3,750	24,450
Little Rock (Arkansas)	52,584	32,607	766	19,211
Nashville (Tennessee)	83,980	51,704	1,463	30,812
New Orleans (Louisiana)	34,618	27,476	970	6,172
Central Region	518,448	421,756	9,937	186,754
Cincinnati (See (e) below)	75,192	56,940	2,737	15,515
Cleveland (See (e) below)	200,189	178,011	2,151	20,027
Detroit (Michigan)	136,129	52,255	2,519	81,355
Indianapolis (Indiana)	131,029	72,499	1,667	56,863
Louisville (Kentucky)	60,136	50,801	450	8,884
Parkersburg (West Virginia)	15,773	11,250	413	4,110
Midwest Region	575,016	429,206	8,829	236,981
Aberdeen (South Dakota)	17,354	13,113	197	4,044
Chicago (See (c) below)	187,564	119,103	1,915	66,566
Des Moines (Iowa)	73,956	45,204	625	28,128
Fargo (North Dakota)	14,662	11,128	164	3,369
Helena (Montana)	20,725	16,308	249	4,167
Milwaukee (Wisconsin)	103,485	53,611	832	49,042
Omaha (Nebraska)	31,233	22,420	746	8,067
St. Louis (Missouri)	119,465	77,608	2,466	39,392
St. Paul (Minnesota)	67,267	41,354	1,331	24,577
Springfield (See (c) below)	39,290	29,357	304	9,629
Southwest Region	508,233	504,809	16,351	87,076
Albuquerque (New Mexico)	22,407	17,877	392	4,138
Austin (See (g) below)	86,213	74,625	2,855	8,733
Cheyenne (Wyoming)	15,709	14,908	242	559
Dallas (See (g) below)	171,981	140,335	3,433	28,214
Denver (Colorado)	20,866	9,346	2,245	9,275
Houston (See (g) below)	55,495	55,498	2,864	7,131
Oklahoma City (Oklahoma)	96,294	87,131	2,173	6,990
Phoenix (Arizona)	39,369	33,649	891	4,830
Salt Lake City (Utah)	34,176	26,007	263	7,906
Wichita (Kansas)	55,725	45,433	993	9,300
Western Region	510,133	384,896	11,381	113,856
Anchorage (Alaska)	2,655	2,177	339	139
Boise (Idaho)	20,610	16,327	424	3,859
Honolulu (Hawaii)	2,482	1,501	205	676
Laguna Niguel (See (a) below)	67,539	51,710	1,770	14,059
Las Vegas (Nevada)	20,464	17,583	804	2,077
Los Angeles (See (a) below)	69,053	50,357	1,521	17,175
Portland (Oregon)	90,552	55,862	795	33,895
Sacramento (See (a) below)	44,992	37,088	875	7,029
San Francisco (See (a) below)	75,172	66,592	555	8,026
San Jose (See (a) below)	61,912	51,056	1,986	8,869
Seattle (Washington)	54,702	34,543	2,107	18,052
International 5	398	407	51	(59)
Puerto Rico	5	5	—	—
Other	393	401	51	(59)
Undistributed:				
Federal tax deposits[6]	—	—	—	—
Gasoline, lubricating oil and excess FICA credits[7]	—	—	—	—
Cleaning account for excise taxes—aviation fuel	—	—	—	—
and oil—Air Force and Navy	—	—	—	—
Presidential election campaign fund[8]	—	—	—	—
Earned income credits[9]	—	—	—	—
Other[10]	—	—	—	—
Totals for states not shown above				
(a) California	318,668	256,803	6,707	55,158
(b) Florida	185,045	143,518	5,438	36,090
(c) Illinois	226,874	148,460	2,219	76,195
(d) New York	95,996	68,064	3,537	24,395
(e) Ohio	275,381	234,951	4,888	35,542
(f) Pennsylvania	178,698	117,733	3,729	57,236
(g) Texas	323,687	270,458	9,152	44,078

Table 1.—Continued
(in thousands of dollars)

Internal revenue regions and 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: Total (21)	Telephone and teletypewriter services (22)	Airline travel and transportation (23)	Wagering taxes (24)	Use tax on highway motor vehicles (25)	Private foundations net investment income (26)	Windfall profit tax 13 (27)	Other (28)	Unclassified excise tax 14 (29)
United States, total	7,255,282	2,522,062	2,913,249	10,106	556,006	218,102	14,910	1,020,847	974,152
North-Atlantic Region	831,313	319,054	212,857	27	42,951	74,371	14,728	167,325	156,111
Albany (See (d) below)	18,432	2,118	432	3	3,250	562	11,591	476	(9,862)
Augusta (Maine)	4,363	719	240	*	2,647	210	(17)	564	651
Boston (Massachusetts)	97,085	73,262	1,561	5	9,487	4,720	21	8,029	3,506
Brooklyn (See (d) below)	36,820	307	27,840	2	4,395	818	12	3,445	(10,493)
Buffalo (See (d) below)	26,145	8,879	499	5	7,273	2,124	22	7,343	6,632
Burlington (Vermont)	1,797	594	4	—	924	73	2	200	1,936
Hartford (Connecticut)	71,296	36,765	2,154	4	8,842	2,649	2,495	18,387	34,906
Manhattan (See (d) below)	570,190	196,070	179,930	1	2,955	62,403	590	128,241	117,159
Portsmouth (New Hampshire)	2,743	336	68	5	1,776	355	2	201	3,068
Providence (Rhode Island)	2,443	4	131	1	1,401	457	10	439	8,607
Mid-Atlantic Region 5	1,462,526	1,124,840	196,749	92	73,054	31,819	(91,294)	127,266	129,434
Baltimore (Maryland & D.C.)	304,443	121,986	157,094	8	9,793	6,299	2,454	6,809	41,812
Newark (New Jersey)	1,026,757	895,765	35,260	*	15,226	5,466	(15,902)	90,942	(62,622)
Philadelphia (See (f) below)	31,666	72,332	1,330	44	20,904	8,799	(80,480)	8,737	135,651
Pittsburgh (See (f) below)	33,466	1,347	1,656	16	10,619	6,520	2,630	10,678	10,219
Richmond (Virginia)	50,438	33,409	1,009	21	11,603	1,689	(4)	2,711	6,185
Wilmington (Delaware)	15,756	1	400	3	4,909	3,046	8	7,389	(1,811)
Southeast Region	1,302,386	245,661	868,346	1,681	125,785	24,688	1,846	34,379	279,634
Atlanta (Georgia)	497,335	74,389	392,021	147	15,225	9,511	21	6,021	39,060
Birmingham (Alabama)	79,636	62,327	301	60	12,922	446	10	3,570	(2,932)
Columbia (South Carolina)	15,991	5,492	442	59	7,034	591	—	2,373	(673)
Ft Lauderdale (See (b) below)	235,340	3,910	209,549	13	17,073	5,454	(2)	(657)	17,155
Greensboro (North Carolina)	209,311	42,880	141,114	26	18,668	4,383	10	2,230	2,309
Jackson (Mississippi)	6,108	1,717	113	58	7,061	115	(6,631)	3,675	61,367
Jacksonville (See (b) below)	131,197	39,209	70,330	20	14,976	1,725	84	4,853	94,955
Little Rock (Arkansas)	25,406	1,948	932	181	12,133	473	7,752	1,987	22,630
Nashville (Tennessee)	75,483	8,294	48,147	609	13,350	1,084	6	3,993	41,392
New Orleans (Louisiana)	26,575	5,494	5,396	508	7,343	905	595	6,334	4,471
Central Region	486,315	156,951	43,883	1,105	69,993	20,049	54,515	139,819	65,142
Cincinnati (See (e) below)	32,645	11,548	2,230	*	7,168	1,521	(174)	10,352	7,302
Cleveland (See (e) below)	155,934	43,249	1,253	167	17,864	4,237	54,349	34,815	75,405
Detroit (Michigan)	160,884	49,412	10,477	143	17,731	10,642	507	71,972	(37,320)
Indianapolis (Indiana)	80,730	43,702	8,073	587	16,383	2,992	17	7,976	16,141
Louisville (Kentucky)	45,220	2,624	20,702	136	8,280	326	(189)	13,341	5,665
Parkersburg (West Virginia)	10,898	6,416	148	70	2,568	330	4	1,362	(2,130)
Midwest Region	1,362,915	294,530	848,871	2,086	97,247	23,487	18,224	78,470	(96,145)
Aberdeen (South Dakota)	4,651	1,225	69	29	3,187	19	2	120	9
Chicago (See (c) below)	595,214	66,677	458,461	176	15,654	9,952	690	43,604	47,155
Des Moines (Iowa)	19,742	6,831	339	18	10,664	506	3	1,381	(4,786)
Fargo (North Dakota)	19,580	1,048	14	1	2,624	48	15,557	288	(14,495)
Helena (Montana)	4,528	672	85	9	3,184	77	58	443	(50)
Milwaukee (Wisconsin)	50,945	20,654	4,154	114	14,470	2,299	(65)	9,339	(3,135)
Omaha (Nebraska)	55,869	45,854	379	232	6,980	541	337	1,546	3,149
St. Louis (Missouri)	304,229	130,063	140,902	74	15,800	3,053	1,878	12,459	(136,780)
St. Paul (Minnesota)	279,242	6,238	244,293	1,426	16,250	6,673	(219)	4,571	7,287
Springfield (See (c) below)	28,914	15,267	175	6	8,425	319	4	4,718	5,501
Southwest Region	1,318,585	97,449	570,629	888	75,342	20,693	219,404	334,090	87,124
Albuquerque (New Mexico)	1,475	617	1,684	1	2,599	358	(5,199)	1,415	53,844
Austin (See (g) below)	35,872	5,700	1,406	134	9,871	1,774	354	16,633	(64,883)
Cheyenne (Wyoming)	4,062	202	145	—	1,493	153	05	1,974	4,262
Dallas (See (g) below)	504,357	20,927	334,302	448	18,872	6,149	79,246	44,413	95,098
Denver (Colorado)	87,665	54,784	8,601	2	6,515	2,441	9,743	5,579	27,346
Houston (See (g) below)	440,769	2,741	188,483	11	8,276	5,952	7,163	226,143	103,181
Oklahoma City (Oklahoma)	142,424	2,098	196	258	9,314	1,945	107,518	21,095	(131,189)
Phoenix (Arizona)	43,455	398	33,700	(3)	4,882	470	(75)	4,083	(9,024)
Salt Lake City (Utah)	8,232	1,258	907	30	4,294	817	(10)	936	15,056
Wichita (Kansas)	50,274	8,725	1,205	5	9,226	634	20,659	9,820	(6,564)
Western Region	460,842	283,369	160,958	4,226	68,983	22,918	(202,237)	122,620	100,851
Anchorage (Alaska)	12,853	3,999	7,670	3	593	8	(10)	590	1,123
Boise (Idaho)	4,842	423	292	—	3,773	94	—	260	6,024
Honolulu (Hawaii)	28,960	7,132	17,767	15	471	861	(43)	2,757	751
Laguna Niguel (See (a) below)	93,379	4,553	74,779	9	9,758	1,459	316	2,511	2,836
Las Vegas (Nevada)	16,563	2,302	6,664	3,546	1,295	350	20	2,386	11,706
Los Angeles (See (a) below)	97,701	2,240	11,256	4	7,585	9,460	26,221	40,925	(4,297)
Portland (Oregon)	27,454	3,449	749	6	11,456	1,178	10	10,606	(50,407)
Sacramento (See (a) below)	29,203	4,087	601	58	8,812	249	(39)	15,435	(87,670)
San Francisco (See (a) below)	(28,965)	141,361	9,274	128	5,191	6,252	(229,372)	38,201	195,263
San Jose (See (a) below)	90,084	74,975	683	4	9,372	953	576	3,521	6,931
Seattle (Washington)	66,767	38,849	31,222	453	10,668	2,053	14	5,428	(1,410)
International 5	30,400	207	10,956	*	2,652	78	(370)	16,877	11,357
Puerto Rico	12,500	—	82	—	1	4	—	12,413	5,609
Other	17,900	207	10,874	*	2,651	74	(370)	4,464	5,748
Undistributed:									
Federal tax deposits[6]	—	—	—	—	—	—	—	—	240,667
Gasoline, lubricating oil and excess FICA credits[7]	—	—	—	—	—	—	—	—	—
Cleaning account for excise taxes—aviation fuel	—	—	—	—	—	—	—	—	—
and oil—Air Force and Navy	—	—	—	—	—	—	—	—	(9)
Presidential election campaign fund[8]	—	—	—	—	—	—	—	—	—
Earned income credits[9]	—	—	—	—	—	—	—	—	—
Other[10]	—	—	—	—	—	—	—	—	—
Totals for states not shown above									
(a) California	281,402	227,215	96,593	202	40,727	18,373	(202,304)	100,593	133,065
(b) Florida	366,537	43,119	279,879	33	32,049	7,179	82	4,195	112,010
(c) Illinois	624,128	81,944	458,636	182	24,079	10,270	694	48,322	52,657
(d) New York	651,587	207,374	208,701	11	17,874	65,907	12,215	139,505	103,436
(e) Ohio	168,579	54,797	3,483	168	25,032	5,758	54,176	45,168	82,786
(f) Pennsylvania	65,132	73,679	2,985	60	31,523	15,320	(77,851)	19,415	145,869
(g) Texas	980,998	29,368	524,192	594	37,019	13,876	86,763	289,189	133,392

Table 2.—Internal revenue collections by sources
(in thousands of dollars)

Sources of revenue	1986	1987
Grand total all sources	782,251,812	886,290,590
Corporation income taxes total[1,3]	80,441,620	102,858,985
Regular	80,288,596	102,615,023
Exempt organizations busir ess income tax[2]	153,024	243,962
Individual income and employment taxes, total	660,943,151	742,452,955
Income tax not withheld and SECA[3, 4, 16]	117,834,913	156,944,748
Income tax withheld and FICA[3,17]	r534,009,596	575,124,673
Railroad retirement total[16]	3,833,640	4,151,534
Unemployment insurance[19]	r5,265,002	6,232,000
Estate tax[20]	6,814,417	7,164,681
Gift tax[20]	380,538	502,989
Excise taxes, total	33,672,086	33,310,980
Alcohol and tobacco taxes, total[11]	r10,233,303	11,097,677
Manufacturers' excise taxes, total	9,927,742	10,221,574
Gasoline, 9 cents per gal on	r8,854,674	8,925,028
Gasoline used or sold to make gasohol, 3 1/3 cents per gallon	2,706	6,640
Gasohol used or sold, 3 cents per gallon	48,578	232,122
Tires (wholly or in part of rubber) inner tubes and tread rubber[21]	r285,728	296,408
Pistols and revolvers, 10 percent	23,433	25,361
Fishing rods creels, etc., 10 percent	63,255	71,255
Electric outboard motors and sonar devices, 3 percent	1,940	2,359
Bows and arrows, 11 percent	11,341	10,461
Firearms (other than pistols and revolvers), 11 percent	39,037	42,182
Shells and cartridges, 11 percent	35,892	34,978
Black lung, total	561,158	574,7690
Underground mined coal - $1.10 per ton	316,349	305,719
Underground mined coal - 4.4 percent of price per ton	39,919	58,309
Surface mined coal - 55 cents per ton	160,280	164,332
Surface mined coal - 4.4 percent of price per ton	44,610	46,409
Retailers and special fuels, total	3,783,295	3,782,284
Noncommercial aviation gasoline, 3 cents per gallon	10,356	9,719
Noncommercial aviation fuel other than gasoline, 14 cents per gallon	67,604	72,609
Diesel and special motor fuels, 15 cents per gallon (in some instances 9 cents per gallon)	2,613,980	2,659,404
Motor vehicles chassis bodies etc., 12 percent	1,091,356	1,020,553
Miscellaneous excise taxes, total	15,191,146	7,255,282
Telephone and teletypewriter exchange services, 3 percent	2,339,153	2,522,062
Airline travel and transportation, total	2,707,534	2,913,249
Transportation of persons by air, 8 percent	2,463,509	2,663,568
Transportation of property by air, 5 percent	154,968	154,504
Use of international air-travel facilities, $3 per person	89,057	95,177
Wagering taxes, total	8,618	10,106
Occupational tax, $50 per year	1,033	1,064
Wagers, 0.25 percent of amount wagered	7,586	9,042
Use tax on highway vehicles[22]	566,675	556,006
Firearms occupational taxes[23]	1,025	274
Exempt organizations, total	225,249	232,352
Net investment income, 2 percent	217,191	218,102
Self dealing, 5 percent on self-dealer, lesser of $10,000 or 2 1/2 percent on foundation manager	209	902
Excess business holdings, 5 percent on foundation	89	93
Taxable expenditures, 10 percent on foundation, lesser of $5,000 or 2 1/2 percent on foundation manager	473	340
Failure to timely file certain information returns, $10 per day up to a maximum of $5,000	5,897	11,954
Failure to distribute income, 15 percent of undistributed income	1,388	951
Investments that jeopardize charitable purpose, 5 percent on foundation, lesser of $5,000 or 5 percent on foundation manager	1	8
Tax on termination of status	*	3
Employee pension plans, total	r17,021	291,159
Excess contributions, 6 percent of excess amount	r2,905	4,783
Tax on underdistributions from an IRA, 50 percent of underdistribution	461	759
Employee benefit plans, total[24]	r7,884	281,504
Penalties, total	r5,770	4,114
Taxes on lobbying expenditures, 25 percent of taxable lobbying expenditures	r9	11
Black lung benefit trusts excess contributions, 5 percent of excess amount	11	31
Crude oil windfall profits taxes, total, 22 1/2 percent to 70 percent of windfall profit[25]	8,866,967	14,910
Quarterly return amounts	8,836,638	(26,734)
Annual return amounts	30,329	43,645
Environmental taxes, total	68,538	407,167
Petroleum (imported), 11.7 cents per barrel[26]	—	114,757
Petroleum (domestic), 8.2 cents per barrel[26]	11,728	131,546
Chemicals, 22 cents to $10.13 cents per ton[26]	54,872	114,864
Hazardous substances, $2.13 per ton[27]	1,938	—
Additional tax on fuels, .01 cent per gallon[28]	—	46,000
Other	r330,345	307,956
Foreign insurers, policies issued by, 1 cent or 4 cents per dollar of premium	139,720	115,133
Fuel economy vehicle tax, $500 to $3,850	147,663	145,900
Inland waterways fuel use tax, 10 cents per gallon	43,340	46,540
Miscellaneous[29]	r(378)	363
Unclassified excise taxes[14]	r(5,403,401)	974,152

Table 3.—Internal revenue collections by principal sources
(in thousands of dollars)

Fiscal year	Total internal revenue collections (1)	Income and profits taxes: Total (2)	Corporation income and profits taxes[3] (3)	Individual income taxes[3] (4)	Employment taxes[4] (5)	Estate and gift taxes[20] (6)	Alcohol taxes[11,13] (7)	Tobacco taxes[11] (8)	Manufacturers excise taxes (9)	All other taxes (10)
1956	75,112,649	56,636,164	21,298,522	35,337,642	7,295,784	1,171,237	2,920,574	1,613,497	3,456,013	2,019,380
1957	80,171,971	60,560,425	21,530,653	39,029,772	7,580,522	1,377,999	2,973,195	1,674,050	3,761,925	2,243,856
1958	79,978,476	59,101,874	20,533,316	38,568,559	8,644,386	1,410,925	2,946,461	1,734,021	3,974,135	2,166,675
1959	79,797,973	58,826,254	18,091,509	40,734,744	8,853,744	1,352,982	3,002,096	1,806,816	3,958,789	1,997,292
1960	91,774,803	67,125,126	22,179,414	44,945,711	11,158,589	1,626,348	3,193,714	1,931,504	4,735,129	2,004,394
1961	94,401,086	67,917,941	21,764,940	46,153,001	12,502,451	1,916,392	3,212,801	1,991,117	4,896,802	1,963,582
1962	99,440,839	71,945,305	21,295,711	50,649,594	12,708,171	2,035,187	3,341,282	2,025,736	5,120,340	2,264,817
1963	105,925,395	75,323,714	22,336,134	52,987,581	15,004,486	2,187,457	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	128,879,961	92,131,794	30,834,243	61,297,552	20,256,133	3,093,922	3,814,378	2,073,956	5,613,868	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	2,278,851	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	74,202,653	5,307,466	5,427,722	2,487,894	5,486,106	3,855,998
1976 (TQ)*	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	245,805,067	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
1979	460,412,165	322,993,733	71,447,876	251,545,857	112,849,874	5,519,074	5,647,924	2,495,517	7,057,612	3,848,450
1980	519,375,273	359,927,392	72,379,610	287,547,782	128,330,480	6,498,381	5,704,768	2,446,416	6,487,421	9,980,416
1981	606,799,103	406,583,302	73,733,156	332,850,146	152,885,816	6,910,386	5,688,413	2,583,657	r6,088,156	r26,059,173
1982	622,240,506	418,599,768	65,990,932	352,608,936	168,717,936	8,143,373	5,459,810	2,539,495	6,382,900	22,397,223
1983	627,246,793	411,407,523	61,779,556	349,627,967	173,847,854	6,225,877	5,634,853	4,139,810	6,776,023	19,214,853
1984	680,475,229	437,071,049	74,179,370	362,891,679	199,210,028	6,176,667	5,402,467	4,663,610	r10,107,930	r17,843,479
1985	742,871,541	474,072,327	77,412,769	396,659,558	225,214,568	6,579,703	5,398,100	4,483,193	10,020,574	17,103,077
1986	782,251,812	497,010,004	80,441,620	r416,964,771	r243,978,380	7,194,956	r5,625,458	4,607,845	12,374,786	11,041,971
1987	886,290,590	568,311,471	102,858,585	465,452,486	277,000,469	7,667,670	11,097,677	(Footnote11)	10,221,574	11,991,729

*Transition quarter.

FOOTNOTES FOR TABLES 1—3

*Less than $500-

r-Revised

NOTE: Detail may not add to totals due to rounding. Negative amounts reflect adjustments made to prior reported data and credits for prior tax periods claimed against current tax period amounts.

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. Also, the taxes of some corporations are paid from a principal office, although their operations may be located in another state, or throughout several states.

2. Includes taxes on unrelated business income of exempt organizations amounting to $119.9 billion (Forms 990T).

3. Collections of individual income tax not withheld include old-age, survivor's, 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, survivor's, disability, and hospital insurance taxes (FICA) on salaries and wages. Estimated separate national totals for individual income tax and for employment taxes are shown in the text table. Gross internal revenue collections, on page 2 and are used in obtaining national totals for individual income taxes and for employment taxes in Table 3.

4. Includes fiduciary income tax collections of $8.4 billion.

5. The Office of the Assistant Commissioner (International) was formed during FY 1987. Data previously reported under Mid-Atlantic Region as "Foreign Operations" is now shown separately under "International".

6. Tax payments made to banks, under the federal tax deposit (FTD) system, are included in the internal revenue collections for the period in which the FTD was purchased. However, such payments are not classified by internal revenue districts (nor by tax subclasses to which excise tax payments relate) until the IRS applies them to taxpayer's liabilities.

7. Represents credits allowable on income tax returns for certain gasoline, diesel, and special motor fuels tax payments and for excess payments under the Federal Insurance Contributions Act.

8. 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.

9. Amounts offset against outstanding tax liabilities other than those for Forms 1040 and 1040A on which the credits were claimed.

10. Includes amounts contained in the national totals but not classified by state or district as of the end of the fiscal year. Also includes amount transferred to a special account for the Northern Manana Islands.

11. Alcohol and tobacco tax detail as reported in previous years are not available for FY 1987. Beginning July 1, 1987, the Bureau of Alcohol, Tobacco and Firearms (AT&F) assumed responsibility for all alcohol and tobacco tax collections. The total amount collected by AT&F is shown as "Other" but is not available by type of tax nor by state or district. State and district amounts shown reflect only amounts collected by by IRS and may reflect significant variances from prior years.

12. Includes manufacturers' recreational excise taxes on pistols and revolvers, fishing rods, bows and arrows, firearms, shells and cartridges, and electric trolling motors and fish finding sonar devices.

13. Negative amounts primarily reflect credits and adjustments applied to current period liabilities to correct for the net income limitation and over-withholding in previous periods.

14. Contains, among other items, amounts paid into depositaries but not yet classified into excise detail from Forms 720, Quarterly Federal Excise Tax Returns, filed. Generally, Forms 720 are filed and type of excise tax identified and reported in the quarter following the quarter of payment into a depositary. Negative figures result from the classification of amounts previously reported as unclassified.

15. Corporate tax rates generally ranged from 15 to 34 percent of taxable income.

16. Individual income tax rates ranged from 11 to 38.5 percent of taxable income. Included were SECA taxes with an effective tax rate of 12.3 percent (14.3 percent less 2.0 percent credit) imposed on self-employment income through $42,000 for tax year 1986 and through $43,800 for 1987.

17. Income tax withholding rates ranged from 11 to 38.5 percent. Combined FICA rate of 14.3 percent was imposed on a wage base through $42,000 for tax year 1986 and through $43,800 for 1987.

18. Railroad retirement taxes are divided into two tiers for both employers and employees. The tier I tax rate was 7.15 percent each on the first $42,000 and $43,800 for 1987. Tier II taxes were 14.75 percent for employers and 4.25 percent for employees.

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 were taxed 6.2 percent on taxable wages up to $7,000 for 1987. This tax was reduced by credits of up to 5.4 percent for unemployment contributions paid to states.

20. The Economic Recovery Tax Act of of 1981 raised the estate and gift tax unified credit from $47,000 to $192,800 to be phased in over a five year period ($155,800 credit for 1986 and $192,800 for 1987). Also, the act raised the annual gift tax exclusion from $3,000 to $10,000, effective January 1, 1982, and provided for annual rather than quarterly returns and payments.

21. Highway-type tires taxed as follows: not more than 40 pounds, no tax; more than 40, but not more than 70 pounds, 15 cents per pound over 40 pounds; over 70, but not more than 90 pounds, $4.50 plus 30 cents per pound over 70 pounds; and tires over 90 pounds, $10.50 plus 50 cents per pound over 90 pounds. Taxes on tread rubber and inner tubes repealed effective January 1, 1984 (Public Law 97-424).

22. Vehicles weighing over 55,000 pounds, taxed $100 plus $22 each 1,000 pounds over 55,000 pounds; over 75,000 pounds, $550. Prior to July 1, 1984, vehicles weighing over 26,000 pounds were taxed $3 per thousand pounds.

23. Occupational taxes are levied on manufacturers, importers or dealers in firearms at the rates of $10, $25, $200 and $500 per year. Does not include amount collected by AT&F. (See footnote No. 11).

24. Detail not available due to a form revision. FY 1987 data contain amounts from new taxes under the Tax Reform of 1986 (P.L. 99-514).

25. Crude oil windfall profit tax amounts shown in these tables are incomplete because they reflect only amounts from returns processed by the end of the reporting period. For comprehensive detail on crude oil windfall profit taxes, refer to the "SOI Bulletin" published quarterly by the IRS (Publication 1136). Also, see footnote No. 13.

26. Expired September 30, 1985 (P.L. 96-510). Reimposed in January 1987 (P.L. 99-499).

27. Retroactively repealed effective October 1983 (P.L. 99-499).

28. Leaking underground storage tank trust fund additional tax on fuels, effective January 1987 (P.L. 99-499).

29. Includes both amounts collected or adjusted for taxes that have been repealed or have expired and for taxes not classified separately in Tables 1 and 2.

Table 4.—Amount of internal revenue refunds including interest
(in thousands of dollars)

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Total[1] (1)	Corporation income (2)	Individual income[2] (3)	Employment taxes[3] (4)	Estate tax (5)	Gift tax (6)	Excise taxes[4] (7)
United States, total	96,969,454	19,891,132	73,582,754	1,900,713	206,524	7,630	1,380,712
North-Atlantic Region	**13,876,221**	**3,364,848**	**10,215,190**	**233,421**	**37,244**	**2,589**	**22,929**
Albany (See (d) below)	629,282	32,507	589,490	6,147	724	13	401
Augusta (Maine)	348,366	38,203	304,196	5,016	471	—	419
Boston (Massachusetts)	2,535,232	500,532	1,988,278	40,432	2,909	11	3,071
Brooklyn (See (d) below)	2,678,310	210,616	2,423,257	30,980	5,884	740	6,832
Buffalo (See (d) below)	1,518,255	276,689	1,225,038	12,851	1,694	(8)	1,992
Burlington (Vermont)	145,157	17,681	124,106	2,897	295	*	178
Hartford (Connecticut)	1,940,835	592,475	1,298,538	41,838	4,064	(11)	3,932
Manhattan (See (d) below)	3,340,325	1,585,905	1,646,313	60,913	19,912	1,822	5,458
Portsmouth (New Hampshire)	414,892	68,157	339,609	6,255	655	7	208
Providence (Rhode Island)	325,568	42,025	276,363	6,091	636	15	438
Mid-Atlantic Region [5]	**12,474,974**	**2,042,908**	**10,114,578**	**206,478**	**22,372**	**866**	**87,772**
Baltimore (Maryland & D.C.)	2,365,818	321,829	1,934,353	44,788	3,439	32	11,378
Newark (New Jersey)	3,704,535	583,244	3,011,597	75,044	10,172	660	23,819
Philadelphia (See (f) below)	2,708,222	504,203	2,122,260	40,599	3,483	(25)	37,703
Pittsburgh (See (f) below)	1,330,753	196,756	1,106,665	18,374	2,549	(166)	6,575
Richmond (Virginia)	1,920,529	172,365	1,715,339	23,059	2,508	87	6,171
Wilmington (Delaware)	445,119	264,512	173,363	4,613	223	280	2,127
Southeast Region	**14,294,877**	**1,669,993**	**12,359,153**	**191,528**	**25,231**	**1,571**	**37,402**
Atlanta (Georgia)	2,141,213	186,082	1,912,960	30,388	2,006	265	9,511
Birmingham (Alabama)	1,266,361	87,719	1,160,979	15,116	856	133	1,557
Columbia (South Carolina)	876,196	51,461	814,638	9,921	263	(561)	454
Fort Lauderdale (See (b) below)	1,527,230	54,477	1,414,330	23,388	3,865	157	1,012
Greensboro (North Carolina)	1,954,100	428,101	1,497,415	20,592	3,365	141	4,486
Jackson (Mississippi)	589,578	38,991	541,199	8,363	380	17	628
Jacksonville (See (b) below)	2,326,828	241,142	2,032,571	38,272	8,262	664	5,897
Little Rock (Arkansas)	548,212	62,954	478,570	5,412	719	1	557
Nashville (Tennessee)	1,588,193	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans (Louisiana)	1,476,966	277,847	1,172,448	18,489	2,065	253	5,853
Central Region	**12,553,833**	**3,365,003**	**8,939,830**	**141,860**	**15,593**	**805**	**90,842**
Cincinnati (See (e) below)	1,787,095	340,367	1,412,487	19,420	3,708	266	10,847
Cleveland (See (e) below)	3,173,286	1,221,427	1,871,211	29,081	2,675	359	48,533
Detroit (Michigan)	4,381,680	1,450,221	2,851,867	62,321	4,102	166	13,002
Indianapolis (Indiana)	1,716,499	172,291	1,531,090	16,427	1,474	11	5,207
Louisville (Kentucky)	995,165	146,671	825,500	8,077	3,187	5	11,725
Parkersburg (West Virginia)	500,207	34,025	457,675	6,533	446	*	1,527
Midwest Region	**11,011,809**	**2,170,459**	**8,643,979**	**137,932**	**17,656**	**611**	**41,172**
Aberdeen (South Dakota)	141,213	12,459	128,825	1,441	97	—	391
Chicago (See (c) below)	3,882,911	885,176	2,924,240	53,327	6,154	25	13,990
Des Moines (Iowa)	714,418	99,015	605,935	6,849	1,099	138	1,382
Fargo (North Dakota)	155,753	19,108	133,567	1,502	1,220	*	256
Helena (Montana)	196,216	17,813	175,674	2,310	7	*	411
Milwaukee (Wisconsin)	1,448,516	200,347	1,215,395	12,476	1,598	13	8,686
Omaha (Nebraska)	447,074	81,667	357,283	6,256	579	115	1,174
St. Louis (Missouri)	1,622,169	286,371	1,300,965	21,688	2,126	199	10,821
St. Paul (Minnesota)	1,445,513	346,867	1,069,139	25,602	1,718	3	2,384
Springfield (See (c) below)	958,027	221,835	724,956	6,380	3,059	119	1,678
Southwest Region	**14,080,434**	**3,392,630**	**9,574,799**	**205,736**	**32,196**	**856**	**874,217**
Albuquerque (New Mexico)	415,386	32,422	373,110	4,925	3,856	231	843
Austin (See (g) below)	2,525,974	426,351	1,566,096	20,758	5,642	319	510,808
Cheyenne (Wyoming)	156,551	14,898	138,833	1,560	1,033	11	217
Dallas (See (g) below)	3,224,513	822,888	2,299,903	51,622	7,687	93	42,318
Denver (Colorado)	1,242,786	227,065	994,930	14,935	2,503	79	3,267
Houston (See (g) below)	2,708,905	1,134,168	1,202,548	30,960	3,718	63	147,449
Oklahoma City (Oklahoma)	1,330,358	293,975	858,745	10,360	3,773	45	163,460
Phoenix (Arizona)	1,143,087	173,167	953,042	14,511	1,870	17	479
Salt Lake City (Utah)	441,751	59,432	373,884	6,237	977	*	1,220
Wichita (Kansas)	887,130	208,284	623,708	49,868	1,138	(2)	4,155
Western Region	**16,721,532**	**3,679,562**	**12,693,934**	**247,267**	**55,294**	**423**	**45,053**
Anchorage (Alaska)	297,540	40,117	252,384	3,565	288	—	1,186
Boise (Idaho)	221,402	24,471	193,605	2,893	101	*	332
Honolulu (Hawaii)	332,626	30,894	295,623	3,977	1,313	*	518
Laguna Niguel (See (a) below	3,208,422	426,392	2,724,566	43,217	8,356	12	5,878
Las Vegas (Nevada)	379,151	58,118	311,982	6,606	1,793	4	647
Los Angeles (See (a) below)	4,500,365	1,743,590	2,667,908	59,490	16,334	71	12,993
Portland (Oregon)	984,412	218,323	745,048	12,412	6,184	9	2,436
Sacramento (See (a) below	1,374,573	84,690	1,270,221	15,061	3,385	(11)	1,227
San Francisco (See (a) below	1,908,388	567,224	1,271,985	51,314	9,969	136	7,760
San Jose (See (a) below	2,031,243	323,365	1,664,032	29,052	4,578	(46)	10,263
Seattle (Washington)	1,483,391	162,377	1,259,279	19,678	2,994	248	1,814
International[6]	**641,655**	**205,729**	**408,652**	**20,902**	**938**	**(92)**	**5,327**
Puerto Rico	70,304	2,433	53,582	13,223	8	—	1,057
Other	571,352	203,296	355,269	7,680	930	(92)	4,269
Other miscellaneous refunds	**1,314,028**	**—**	**622,441**	**515,590**	**—**	**—**	**175,997**
Gasoline and excess Fica credits[6]	638,341	—	—	515,590	—	—	122,751
U.S. Customs Service[7]	53,246	—	—	—	—	—	53,246
Earned income credit offsets	64,386	—	64,386	—	—	—	—
Refund reversals unclassified[8]	558,054	—	558,054	—	—	—	—
Totals for states not shown above							
(a) California	13,023,011	3,145,262	9,568,712	198,134	42,622	162	38,120
(b) Florida	3,854,058	295,619	3,476,901	61,660	12,147	821	6,909
(c) Illinois	4,840,938	1,107,011	3,649,196	59,707	9,213	144	15,668
(d) New York	8,166,172	2,105,717	5,884,099	130,891	28,214	2,567	14,683
(e) Ohio	4,960,382	1,561,794	3,283,698	48,501	6,383	624	59,381
(f) Pennsylvania	4,038,973	700,958	3,228,925	58,973	6,031	(192)	44,278
(g) Texas	8,463,391	2,383,407	5,258,546	103,341	17,047	475	700,575

[1] Includes windfall profits tax refund claims of $1 billion of which $941 million represents excise taxes.
[2] Includes earned income credits refunded, amounting to $1.4 billion and refunds amounting to $231 million paid on partnership and fiduciary income tax returns. (The latter amount is not included in the refund amount of $73.4 billion shown in the narrative portion of this report.)
[3] Includes withheld income tax, FICA, Railroad Retirement and FUTA refunds and credits.
[4] Includes credits for gasoline and lubricating oil tax payments.
[5] The office of the Assistant Commissioner (International) was formed during FY 1987. Data previously reported under Mid-Atlantic Region as "Foreign Operations" is now shown separately under "International".
[6] Includes credits for excess payments under the Federal Old Age and Survivors, Federal Disability and Federal Hospital funds, amounting to $516 million.
[7] The source of this information is the U.S. Customs Service. Customs does not provide the count of the number of refunds issued for this item.
[8] Includes refunds issued in September 1987 minus refund reversals received in September 1987 that were not classified by district before Sept. 30 1987 (the end of the fiscal year). For accounting and comparative purposes, the data included in this table must agree with the actual transactions affecting the refund and interest appropriation account for the fiscal year.
* Less than $500.

Table 5.—Number of internal revenue refunds issued

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Total (1)	Corporation income (2)	Individual income (3)	Employment taxes (4)	Estate tax (5)	Gift tax (6)	Excise taxes (7)
United States, total	80,801,349	738,708	77,794,955[1]	2,118,012	12,297	1,052	136,325
North-Atlantic Region	**10,723,035**	**92,557**	**10,308,895**	**306,362**	**2,054**	**122**	**13,045**
Albany (See (d) below)	716,399	4,715	694,268	16,483	79	6	848
Augusta (Maine)	419,471	3,319	405,183	10,191	47	—	731
Boston (Massachusetts)	2,148,121	21,535	2,067,859	56,162	352	11	2,202
Brooklyn (See (d) below)	2,310,341	13,745	2,237,186	56,930	338	20	2,122
Buffalo (See (d) below)	1,497,117	10,620	1,457,666	26,973	180	1	1,677
Burlington (Vermont)	180,215	1,677	170,484	7,475	22	(1)	358
Hartford (Connecticut)	1,299,068	10,798	1,238,564	47,619	319	20	1,749
Manhattan (See (d) below)	1,403,842	19,012	1,317,519	64,173	630	60	2,448
Portsmouth (New Hampshire)	392,656	3,387	378,826	11,928	41	1	473
Providence (Rhode Island)	355,804	3,549	343,340	8,428	46	4	437
Mid-Atlantic Region[2]	**11,404,772**	**79,115**	**11,014,957**	**291,039**	**1,558**	**109**	**17,994**
Baltimore (Maryland & D.C.)	2,074,900	16,114	1,996,453	58,561	326	29	3,317
Newark (New Jersey)	3,081,536	23,433	2,960,060	92,178	593	23	5,249
Philadelphia (See (f) below)	2,573,489	14,953	2,493,712	61,468	274	30	3,052
Pittsburgh (See (f) below)	1,439,547	7,228	1,400,912	28,992	161	7	2,247
Richmond (Virginia)	2,008,068	15,031	1,948,136	42,927	182	16	3,776
Wilmington (Delaware)	227,232	2,356	217,684	6,813	22	4	353
Southeast Region	**15,157,387**	**124,804**	**14,612,359**	**389,801**	**1,864**	**232**	**28,327**
Atlanta (Georgia)	2,085,736	17,281	2,011,790	53,414	176	19	3,057
Birmingham (Alabama)	1,259,396	7,361	1,224,346	25,727	71	11	1,880
Columbia (South Carolina)	1,109,405	7,056	1,077,674	23,161	65	6	1,443
Fort Lauderdale (See (b) below)	1,635,543	11,231	1,570,807	51,944	286	49	1,326
Greensboro (North Carolina)	2,142,069	17,220	2,075,069	45,516	183	21	4,060
Jackson (Mississippi)	739,761	5,053	716,564	16,686	40	10	1,408
Jacksonville (See (b) below)	2,479,912	26,855	2,363,875	84,384	572	44	4,182
Little Rock (Arkansas)	662,253	4,278	641,369	15,169	43	5	1,389
Nashville (Tennessee)	1,718,533	13,248	1,660,194	38,338	254	47	6,512
New Orleans (Louisiana)	1,324,619	15,221	1,270,671	35,462	175	20	3,070
Central Region	**10,364,554**	**73,965**	**10,069,718**	**205,713**	**1,020**	**86**	**14,052**
Cincinnati (See (e) below)	1,703,365	12,114	1,657,863	31,018	185	23	2,162
Cleveland (See (e) below)	2,079,351	16,938	2,020,215	39,646	259	24	2,269
Detroit (Michigan)	3,119,427	25,271	3,021,859	68,472	289	18	3,518
Indianapolis (Indiana)	1,829,687	11,257	1,778,269	36,047	167	14	3,933
Louisville (Kentucky)	1,061,895	5,601	1,034,530	20,199	71	3	1,491
Parkersburg (West Virginia)	570,829	2,784	556,982	10,331	49	4	679
Midwest Region	**10,331,702**	**102,437**	**9,982,668**	**226,733**	**1,378**	**140**	**18,346**
Aberdeen (South Dakota)	196,028	2,280	188,187	4,896	27	—	638
Chicago (See (c) below)	2,990,028	27,216	2,892,953	64,875	404	38	4,542
Des Moines (Iowa)	812,626	10,432	783,655	16,558	121	7	1,853
Fargo (North Dakota)	185,583	2,366	177,438	5,174	37	1	568
Helena (Montana)	245,537	4,816	232,650	6,997	42	4	828
Milwaukee (Wisconsin)	1,574,160	15,121	1,523,952	32,200	167	21	2,699
Omaha (Nebraska)	476,574	6,942	457,366	11,388	90	11	1,177
St. Louis (Missouri)	1,613,043	15,666	1,558,859	35,592	233	31	2,662
St. Paul (Minnesota)	1,310,522	10,535	1,265,110	32,838	110	13	1,916
Springfield (See (c) below)	927,201	7,063	902,300	16,215	147	14	1,462
Southwest Region	**10,386,805**	**124,088**	**9,926,769**	**293,369**	**1,477**	**226**	**20,876**
Albuquerque (New Mexico)	476,074	4,395	458,993	11,822	52	13	799
Austin (See (g) below)	1,853,991	20,919	1,780,025	48,212	258	37	4,540
Cheyenne (Wyoming)	152,500	2,526	144,659	4,778	25	2	510
Dallas (See (g) below)	2,275,797	30,229	2,169,475	70,869	349	91	4,764
Denver (Colorado)	1,074,080	13,585	1,027,476	31,190	129	20	1,670
Houston (See (g) below)	1,309,104	16,244	1,249,956	40,128	191	20	2,565
Oklahoma City (Oklahoma)	963,266	12,046	922,765	25,942	186	8	2,339
Phoenix (Arizona)	1,045,475	10,311	1,005,586	28,316	133	14	1,113
Salt Lake City (Utah)	468,199	3,779	451,480	12,203	26	3	708
Wichita (Kansas)	748,319	10,054	716,352	19,889	148	8	1,868
Western Region	**12,911,277**	**138,622**	**12,365,322**	**380,985**	**2,819**	**136**	**23,393**
Anchorage (Alaska)	176,141	2,873	165,967	6,661	17	—	623
Boise (Idaho)	269,580	3,173	257,401	8,200	24	1	781
Honolulu (Hawaii)	375,397	4,350	361,984	8,602	53	9	396
Laguna Niguel (See (a) below	2,605,369	23,350	2,505,768	71,988	445	11	3,807
Las Vegas (Nevada)	350,756	3,227	336,614	10,127	36	1	741
Los Angeles (See (a) below)	2,451,057	27,484	2,344,088	75,130	676	41	3,638
Portland (Oregon)	993,119	13,407	950,833	25,648	253	8	2,960
Sacramento (See (a) below	1,284,354	9,943	1,236,632	35,723	185	14	1,866
San Francisco (See (a) below)	1,247,090	16,803	1,180,438	45,850	637	33	3,329
San Jose (See (a) below	1,668,554	17,541	1,598,711	49,204	300	14	2,784
Seattle (Washington)	1,489,850	16,458	1,426,886	43,852	182	4	2,468
International[2]	**295,855**	**3,120**	**268,305**	**24,010**	**127**	**1**	**292**
Puerto Rico	67,014	91	45,491	21,399	2	—	31
Other	228,841	3,029	222,814	2,611	125	1	261
Other miscellaneous refunds	**(754,038)**	**—**	**(754,038)**	**—**	**—**	**—**	**—**
Gasoline and excess Fica credits	—	—	—	—	—	—	—
U.S. Customs Service	—	—	—	—	—	—	—
Earned income credit offsets[3]	—	—	—	—	—	—	—
Refund reversals unclassified[4]	(754,038)	—	(754,038)	—	—	—	—
Totals for states not shown above							
(a) California	9,256,434	95,121	8,865,637	277,895	2,244	113	15,424
(b) Florida	4,115,555	38,066	3,934,682	136,328	858	93	5,508
(c) Illinois	3,917,229	34,279	3,795,253	81,090	551	52	6,004
(d) New York	5,927,699	48,092	5,706,639	164,559	1,227	87	7,095
(e) Ohio	3,782,718	29,052	3,678,078	70,664	444	47	4,431
(f) Pennsylvania	4,013,036	22,181	3,894,624	90,460	435	37	5,299
(g) Texas	5,438,892	67,392	5,199,456	159,229	798	148	11,869

Column Contents:
1 Includes 100,999 refunds issued to fiduciaries and partnerships. (These refunds are not included in the refund number of 77.7 million shown in the narrative portion of this report.)
2 The office of the Assistant Commissioner (International) was formed during FY 1987. Data previously reported under Mid-Atlantic Region as "Foreign Operations" is now shown separately under "International".
3 In Table 4, amount of internal revenue refunds including interest, refund amounts are given for these credits.
4 Includes refunds issued in September 1987 minus refund reversals received in September 1987 that were not classified by district before Sept. 30, 1987 (the end of the fiscal year). For accounting and comparative purposes, the data included in this table must agree with the actual transactions affecting the refund and interest appropriation accounts for the fiscal year.

Table 6.—Number of returns filed

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Total tax returns (1)	Individual income tax (2)	Estimated tax (3)	Fiduciary (4)	Partnership (5)	Corporation income tax (6)	Estate tax (7)	Gift tax (8)	Employment taxes (9)
United States, total	193,155,622	103,460,460	38,803,801	2,335,580	1,836,073	3,873,326	60,755	104,627	28,232,554
North-Atlantic Region	26,453,178	13,700,406	5,549,234	400,028	213,860	633,545	10,100	18,096	3,930,395
Albany (See (d) below)	1,710,227	950,054	346,651	15,117	12,172	32,372	495	1,116	236,219
Augusta (Maine)	964,319	511,360	196,915	11,958	6,020	17,284	251	536	154,079
Boston (Massachusetts)	5,280,513	2,791,206	1,159,144	103,122	33,339	107,867	2,128	3,880	717,949
Brooklyn (See (d) below)	5,472,718	2,947,536	1,134,290	32,573	39,983	153,674	1,781	2,491	753,274
Buffalo (See (d) below)	3,342,640	1,906,086	678,027	40,787	24,109	51,809	970	2,724	434,722
Burlington (Vermont)	491,975	236,813	105,620	6,412	3,889	11,359	122	244	91,334
Hartford (Connecticut)	3,104,290	1,587,037	709,746	51,749	29,562	62,355	1,295	2,495	422,928
Manhattan (See (d) below)	4,311,010	1,821,140	858,842	115,390	52,292	160,336	2,486	3,562	836,498
Portsmouth (New Hampshire)	957,276	503,076	198,776	10,006	6,791	17,831	284	564	147,082
Providence (Rhode Island)	825,210	446,094	161,233	12,914	5,703	20,658	288	384	126,301
Mid-Atlantic Region	26,008,840	14,251,183	5,345,597	369,102	229,720	507,839	7,681	12,468	3,501,854
Baltimore (Maryland & D.C.)	4,425,572	2,446,256	824,088	78,332	41,542	85,772	1,412	2,299	634,726
Newark (New Jersey)	7,129,344	3,794,886	1,482,003	64,123	67,017	188,165	2,293	3,145	1,000,614
Philadelphia (See (f) below)	6,070,915	3,307,993	1,372,779	121,874	51,775	96,769	1,726	2,815	782,878
Pittsburgh (See (f) below)	3,292,775	1,835,689	734,277	46,134	27,477	40,805	714	1,274	430,522
Richmond (Virginia)	4,546,332	2,575,223	827,261	49,194	37,624	81,727	1,313	2,561	671,908
Wilmington (Delaware)	543,902	291,136	105,189	11,445	4,285	14,601	221	374	81,206
Southeast Region	34,548,074	18,805,239	6,718,423	316,909	267,410	734,042	10,181	20,911	5,338,677
Atlanta (Georgia)	4,393,732	2,544,866	660,769	33,563	34,406	87,148	1,033	2,316	709,950
Birmingham (Alabama)	2,601,193	1,536,767	412,381	24,237	19,471	40,607	605	1,379	413,995
Columbia (South Carolina)	2,291,008	1,347,423	371,354	17,016	18,952	42,138	660	1,327	366,624
Fort Lauderdale (See (b) below)	5,120,448	2,286,955	1,611,147	54,301	32,678	133,319	1,834	4,613	634,437
Greensboro (North Carolina)	4,702,836	2,705,117	800,957	50,431	37,329	84,162	1,198	2,727	742,679
Jackson (Mississippi)	1,592,278	918,863	252,284	9,858	13,313	26,053	494	723	270,542
Jacksonville (See (b) below)	6,043,431	3,014,232	1,320,422	66,959	43,668	166,583	2,497	3,518	954,190
Little Rock (Arkansas)	1,609,795	881,656	295,149	13,288	13,854	29,637	351	829	257,212
Nashville (Tennessee)	3,327,505	1,965,852	534,953	29,496	31,870	49,376	855	1,414	517,311
New Orleans (Louisiana)	2,865,848	1,603,506	459,007	17,760	21,869	75,019	634	1,165	471,637
Central Region	22,432,100	12,808,625	4,332,886	281,377	178,475	398,156	5,103	9,531	3,096,615
Cincinnati (See (e) below)	3,414,943	1,968,008	657,430	50,154	29,230	52,556	936	1,523	451,896
Cleveland (See (e) below)	4,646,144	2,607,989	941,589	60,556	35,893	80,586	1,109	2,135	626,245
Detroit (Michigan)	6,721,037	3,880,204	1,231,567	70,663	57,075	129,281	1,361	2,481	925,531
Indianapolis (Indiana)	4,031,885	2,305,527	804,369	58,663	25,021	73,803	919	1,889	545,679
Louisville (Kentucky)	2,450,220	1,380,989	464,292	28,679	21,245	42,830	547	1,106	373,421
Parkersburg (West Virginia)	1,167,871	665,908	227,599	12,062	10,011	19,100	231	397	173,842
Midwest Region	25,720,326	13,630,874	5,809,158	376,669	224,559	483,714	8,000	16,539	3,724,310
Aberdeen (South Dakota)	570,755	284,936	126,234	7,929	5,925	9,069	131	467	97,820
Chicago (See (c) below)	6,803,039	3,706,375	1,458,006	113,646	58,039	143,320	2,331	3,349	879,459
Des Moines (Iowa)	2,298,920	1,152,361	555,275	39,724	20,714	42,767	784	1,272	348,003
Fargo (North Dakota)	567,117	273,215	129,966	7,112	6,008	9,348	244	604	96,187
Helena (Montana)	692,634	330,029	139,497	8,588	8,863	15,134	227	722	125,932
Milwaukee (Wisconsin)	3,758,220	2,032,787	784,339	59,405	29,699	66,497	904	3,362	560,189
Omaha (Nebraska)	1,324,642	668,492	289,580	17,773	13,656	27,983	433	1,035	214,813
St. Louis (Missouri)	3,963,512	2,123,262	866,543	52,636	29,668	73,891	1,136	1,890	586,534
St. Paul (Minnesota)	3,417,355	1,822,706	689,855	41,026	35,949	66,575	836	2,699	490,139
Springfield (See (c) below)	2,322,157	1,236,521	570,863	30,830	15,838	29,130	974	1,139	323,234
Southwest Region	24,577,535	13,115,851	4,337,021	280,718	326,188	517,811	7,742	14,343	3,755,817
Albuquerque (New Mexico)	1,056,408	594,367	178,193	8,507	11,585	18,540	278	542	164,908
Austin (See (g) below)	3,783,655	2,132,896	586,094	38,289	45,508	64,465	1,247	2,754	578,738
Cheyenne (Wyoming)	394,547	195,625	74,932	3,892	5,645	9,251	132	368	70,596
Dallas (See (g) below)	5,453,353	2,877,757	914,932	65,266	87,432	112,902	1,818	3,102	865,152
Denver (Colorado)	2,756,336	1,428,588	501,713	31,330	40,994	66,747	826	1,625	434,967
Houston (See (g) below)	2,998,929	1,624,275	447,741	35,981	40,501	72,726	832	1,490	444,359
Oklahoma City (Oklahoma)	2,379,259	1,243,590	448,318	26,652	27,876	53,136	838	1,400	363,566
Phoenix (Arizona)	2,653,559	1,391,573	570,191	29,590	30,442	55,817	849	1,306	365,177
Salt Lake City (Utah)	1,059,642	597,948	156,069	14,827	18,767	24,536	189	449	157,467
Wichita (Kansas)	2,041,847	1,029,032	458,836	26,382	19,438	37,691	733	1,306	320,787
Western Region	31,996,250	16,622,050	6,692,705	309,918	392,524	578,228	11,474	13,441	4,574,215
Anchorage (Alaska)	411,210	229,199	40,915	1,470	7,187	8,879	99	175	67,876
Boise (Idaho)	700,745	365,389	131,669	6,550	9,630	14,201	197	324	120,666
Honolulu (Hawaii)	889,779	484,804	164,230	9,210	8,317	21,144	275	939	120,918
Laguna Niguel (See (a) below	6,432,618	3,434,973	1,374,826	48,526	78,239	113,460	2,103	1,897	845,056
Las Vegas (Nevada)	823,927	465,165	139,874	6,999	8,611	19,212	222	418	112,876
Los Angeles (See (a) below)	5,896,956	3,094,909	1,093,183	78,091	81,235	130,734	2,829	1,887	877,453
Portland (Oregon)	2,290,329	1,134,930	517,046	25,361	22,948	42,551	647	1,660	349,536
Sacramento (See (a) below	3,828,278	1,891,119	924,807	27,911	45,411	52,021	1,261	1,364	537,503
San Francisco (See (a) below)	2,718,131	1,355,092	612,842	36,836	32,126	43,215	1,598	1,313	376,971
San Jose (See (a) below	4,236,206	2,224,278	881,962	35,350	56,002	65,164	1,508	1,755	606,778
Seattle (Washington)	3,768,069	1,942,192	801,348	35,614	42,820	67,647	935	1,709	558,782
International*	1,118,514	528,432	228,777	861	1,337	17,891	494	198	200,879
Puerto Rico	346,557	94,024	65,870	219	150	837	19	19	180,449
Other	771,957	434,408	162,907	642	1,187	17,154	475	179	20,230
Other**	290,805	—	—	—	—	—	—	—	—
Totals for states not shown above									
(a) California	23,112,191	12,000,371	4,887,620	224,714	293,013	404,594	9,099	8,216	3,243,761
(b) Florida	11,163,879	5,301,187	2,931,569	121,260	76,346	299,902	4,331	8,131	1,588,627
(c) Illinois	9,125,198	4,942,896	2,028,869	144,476	73,877	172,450	3,305	4,488	1,202,993
(d) New York	14,836,595	7,624,818	3,017,800	203,867	128,556	398,191	5,732	9,993	2,270,713
(e) Ohio	8,061,087	4,575,997	1,599,019	110,710	65,123	133,142	2,045	3,658	1,078,143
(f) Pennsylvania	9,363,690	5,143,682	2,107,056	166,008	79,252	137,574	2,442	4,089	1,213,400
(g) Texas	12,235,937	6,634,928	1,948,767	139,536	173,441	250,093	3,897	7,346	1,868,249

Column Contents:

(2) Includes Forms 1040, 1040A, 1040 EZ, 1040NR, 1040SS-PR and 1040C.
(3) Shows the number of 1040ES documents filed. Commissioner's Annual Reports prior to 1981 showed the number of filers.
(4) Form 1041.
(5) Form 1065.
(6) Includes Forms 1120, 1120A, 1120L, 1120M, 1120S, 1120POL, 1120F and 1120H.
(7) Includes Forms 706 and 706NA.
(8) Form 709.
(9) Includes Forms 940, 940PR, 941, 941PR & SS, 941E, 942, 942PR, 943, 943PR & SS, CT-1, and 1042.

Table 6.—Continued

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states indicated in parentheses; totals for other states shown at bottom of table.)	Exempt organizations (10)	Employee plans (11)	ATF returns (12)	Excise taxes (13)	Supplemental documents (14)	Non-master file returns (15)
United States, total	522,751	2,113,779	492,480	1,010,592	10,300,529	8,315
North-Atlantic Region	79,303	374,307	24,092	89,427	1,437,228	1,166
Albany (See (d) below)	4,693	15,379	2,719	8,208	84,998	34
Augusta (Maine)	3,155	6,360	885	8,504	46,991	11
Boston (Massachusetts)	17,186	64,754	4,167	16,501	261,957	211
Brooklyn (See (d) below)	7,129	80,980	3,445	11,291	294,107	172
Buffalo (See (d) below)	9,681	34,006	5,214	15,694	138,680	131
Burlington (Vermont)	1,888	3,945	934	3,165	26,225	25
Hartford (Connecticut)	9,473	41,136	2,475	10,226	173,606	207
Manhattan (See (d) below)	21,083	110,853	2,703	7,046	318,398	281
Portsmouth (New Hampshire)	2,715	8,320	610	5,841	55,324	56
Providence (Rhode Island)	2,290	8,574	940	2,851	36,942	38
Mid-Atlantic Region*	69,334	326,829	21,132	104,972	1,168,452	677
Baltimore (Maryland & D.C.)	14,972	66,667	3,319	15,047	213,050	90
Newark (New Jersey)	13,347	95,581	5,965	22,922	388,972	311
Philadelphia (See (f) below)	16,876	73,350	5,142	20,739	210,110	87
Pittsburgh (See (f) below)	10,328	39,764	2,436	20,466	101,818	73
Richmond (Virginia)	11,872	45,835	2,536	16,859	222,367	52
Wilmington (Delaware)	1,939	5,632	734	2,939	24,137	64
Southeast Region	74,160	255,777	27,785	185,267	1,793,718	317
Atlanta (Georgia)	9,437	36,182	3,369	23,707	246,940	46
Birmingham (Alabama)	6,089	15,597	1,644	18,426	109,977	18
Columbia (South Carolina)	5,563	14,760	1,723	11,430	91,824	14
Fort Lauderdale (See (b) below)	6,144	31,317	1,166	10,121	312,418	—
Greensboro (North Carolina)	11,811	31,150	3,848	24,368	206,998	41
Jackson (Mississippi)	3,708	9,574	1,807	15,108	69,848	3
Jacksonville (See (b) below)	12,818	64,365	5,621	24,858	363,589	111
Little Rock (Arkansas)	4,273	9,367	1,249	16,786	86,142	2
Nashville (Tennessee)	8,189	22,063	1,808	20,617	143,635	66
New Orleans (Louisiana)	6,128	21,402	5,530	19,826	162,347	16
Central Region	67,910	192,596	20,805	125,393	916,253	372
Cincinnati (See (e) below)	11,225	31,231	3,035	13,587	144,015	115
Cleveland (See (e) below)	14,762	47,373	4,673	23,974	198,938	102
Detroit (Michigan)	17,539	64,439	5,695	33,154	295,717	90
Indianapolis (Indiana)	14,734	28,635	3,525	26,230	142,628	63
Louisville (Kentucky)	5,846	14,083	2,390	18,979	95,611	2
Parkersburg (West Virginia)	3,784	6,835	1,287	9,469	39,346	—
Midwest Region	87,135	283,709	32,119	195,768	1,847,598	374
Aberdeen (South Dakota)	2,377	5,702	1,387	7,554	21,218	6
Chicago (See (c) below)	18,493	82,469	6,242	20,826	310,386	98
Des Moines (Iowa)	9,296	32,420	3,118	20,915	72,277	4
Fargo (North Dakota)	2,828	9,657	809	8,243	21,684	7
Helena (Montana)	2,730	5,749	1,672	9,061	46,424	6
Milwaukee (Wisconsin)	12,313	37,651	6,564	27,131	137,367	12
Omaha (Nebraska)	4,848	14,213	1,465	21,599	48,504	28
St. Louis (Missouri)	13,248	29,436	5,975	25,441	155,810	42
St. Paul (Minnesota)	13,141	44,157	2,317	39,548	168,261	126
Springfield (See (c) below)	7,861	22,255	2,550	15,450	66,847	45
Southwest Region	66,236	224,405	27,675	149,341	1,742,244	345
Albuquerque (New Mexico)	3,023	7,250	1,611	7,042	60,659	3
Austin (See (g) below)	10,201	23,897	5,644	20,837	272,986	99
Cheyenne (Wyoming)	1,570	3,286	680	4,625	23,644	—
Dallas (See (g) below)	14,100	48,972	4,681	37,438	419,756	45
Denver (Colorado)	8,315	31,564	3,007	13,960	190,649	50
Houston (See (g) below)	6,076	33,681	4,172	14,109	272,906	80
Oklahoma City (Oklahoma)	7,042	18,370	2,524	19,078	166,847	22
Phoenix (Arizona)	5,577	24,123	1,915	8,659	168,320	20
Salt Lake City (Utah)	2,664	10,621	476	7,031	68,690	8
Wichita (Kansas)	7,668	22,641	2,965	16,561	97,787	18
Western Region	77,903	454,037	47,905	158,908	2,072,592	350
Anchorage (Alaska)	1,332	4,002	1,107	2,997	46,167	10
Boise (Idaho)	2,163	5,200	878	9,107	34,763	8
Honolulu (Hawaii)	1,992	13,234	979	2,014	61,722	1
Laguna Niguel (See (a) below	12,335	94,474	5,224	19,336	404,163	6
Las Vegas (Nevada)	1,559	7,299	1,137	7,007	53,537	11
Los Angeles (See (a) below)	14,282	111,212	4,657	14,760	391,799	125
Portland (Oregon)	6,190	19,734	3,111	18,524	148,058	33
Sacramento (See (a) below	9,433	55,036	12,134	20,698	249,573	7
San Francisco (See (a) below)	8,222	49,548	6,243	6,344	187,719	62
San Jose (See (a) below	10,124	64,172	8,063	21,239	259,811	2
Seattle (Washington)	10,271	30,126	4,372	36,888	235,280	85
International*	*770	2,119	182	1,516	130,444	4,714
Puerto Rico	149	1,015	164	71	3,570	1
Other	621	1,104	18	1,445	126,874	4,713
Other**	—	—	290,805	—	—	—
Totals for states not shown above						
(a) California	54,396	374,442	36,321	82,377	1,493,065	202
(b) Florida	18,962	95,682	6,787	34,979	676,005	111
(c) Illinois	26,354	104,724	8,792	36,276	375,853	143
(d) New York	42,586	241,218	14,081	42,239	836,183	618
(e) Ohio	26,007	78,604	7,908	37,561	342,953	217
(f) Pennsylvania	27,204	113,114	8,578	47,205	311,926	160
(g) Texas	30,377	106,550	14,497	72,384	965,648	224

Column Contents:

(10) Includes Forms 990, 990PF, 990T, 990C, 5227 and 4720.
(11) Includes Forms 5500, 5500C, 5500G, 5500K and 5500R.
(12) Includes Forms 5000.24(AT&F) and 11.
(13) Includes Forms 720, 730, 2290 and 11C.
(14) Includes Forms 1040X, 1120X, 2688, 4868, 7004, 7005 and 1041A.
(15) Includes Forms 941M, 941 NMI, CT-2, 990BL, 1042, 1120 DISC, 1120 IC DISC, 1120 FSC and 8404.

*The office of the Assistant Commissioner (International) was formed during FY 1987. Data previously reported under Mid-Atlantic Region as "Foreign Operations" are now shown separately under " International".

**Reflects returns filed with the Bureau of Alcohol, Tobacco and Firearms(AT&F). Beginning July 1, 1987, AT&F assumed responsibility for the filing of all alcohol and tobacco tax returns and collections. These data are being included in IRS statistics for fiscal 1987 to provide comparable data for a full year. The data are not available by state or district.

Table 7.—Returns filed, examination coverage and results (1987)

	Returns filed CY 1986	Returns examined: Revenue agents	Tax auditor	Service centers	Total	Percent coverage
Individuals, total	**101,750,800**	**317,525**	**610,439**	**181,251**	**1,109,215**	**1.09**
1040A, TPI[1] under $10,000	19,904,900	11,008	45,180	49,736	105,924	0.53
Non 1040A, TPI under $10,000	9,904,000	8,711	24,685	8,632	42,028	0.42
TPI $10,000 under $25,000, simple	21,285,600	25,068	86,585	24,181	135,834	0.64
TPI $10,000 under $25,000, complex	9,897,800	29,373	73,919	25,367	128,659	1.30
TPI $25,000 under $50,000	24,588,300	75,890	235,240	32,755	343,885	1.40
TPI $50,000 and over	10,029,100	95,403	95,653	33,379	224,435	2.24
Schedule C-TGR[2] under $25,000	1,903,000	11,378	14,484	942	26,804	1.41
Schedule C-TGR $25,000 under $100,000	2,125,000	22,363	18,334	2,049	42,746	2.01
Schedule C-TGR $100,000 and over	1,198,000	32,437	11,150	2,635	46,222	3.86
Schedule F-TGR under $25,000	240,000	754	1,304	124	2,182	0.91
Schedule F-TGR $25,000 under $100,000	436,500	1,935	2,249	731	4,915	1.13
Schedule F-TGR $100,000 and over	238,600	3,205	1,656	720	5,581	2.34
Fiduciary	**2,278,200**	**5,066**			**5,066**	**0.22**
Partnerships	**1,713,600**	**19,769**			**19,769**	**1.15**
Corporations, total	**2,827,500**	**44,697**			**44,697**	**1.58**
Assets not reported	211,000	1,916			1,916	0.91
Under $50,000[3]	860,800	4,249			4,249	0.49
$50,000 under $100,000	408,300	3,513			3,513	0.86
$100,000 under $250,000	559,700	4,815			4,815	0.86
$250,000 under $500,000	295,800	2,762			2,762	0.93
$500,000 under $1 mil	200,500	2,777			2,777	1.39
$1 mil under $5 mil	196,100	6,596			6,596	3.36
$5 mil under $10 mil	28,900	2,623			2,623	9.08
$10 mil under $50 mil	31,700	5,971			5,971	18.84
$50 mil under $100 mil	6,500	2,785			2,785	42.85
$100 mil under $250 mil	4,600	2,910			2,910	63.26
$250 mil and over	4,600	3,445			3,445	74.89
Form 1120F	19,000	335			335	1.76
Small business corporations	**812,000**	**9,072**			**9,072**	**1.12**
Form 1120 DISC	**8,073**	**1,352**			**1,352**	**16.75**
Estate, total	**67,600**	**15,117**			**15,117**	**22.36**
Gross estate under $1 mil	51,700	8,751			8,751	16.93
Gross estate $1 mil under $5 mil	14,600	5,549			5,549	38.01
Gross estate $5 mil and over	1,300	817			817	62.85
Gift	**101,300**	**1,669**			**1,669**	**1.65**
Income, estate and gift, total	109,557,073	414,267	610,439	181,251	1,205,957	1.10
Excise	**1,035,500**	**38,966**			**38,966**	**3.76**
Employment	**27,812,200**	**45,219**	**1,098**		**46,317**	**0.17**
Windfall profit	**10,300**	**1,555**		**2,816**	**4,371**	**42.44**
Miscellaneous		**11**			**11**	
Service center corrections				**503,309**	**503,309**	

Note: Totals may not add due to rounding.
[1] Total positive income.
[2] Total gross receipts.
[3] Balance sheet assets.

Table 7.—Continued

Recommended additional tax and penalties (Million): Revenue agents	Tax auditors	Service centers	Total	Average tax and penalty per return: Revenue agents	Tax auditors	Service centers	No-change Percent[4]: Revenue agent	Tax auditor	
3,885	**1,286**	**740**	**5,911**	**12,235**	**2,107**	**4,084**	**12**	**14**	**Individuals, total**
119	60	174	354	10,843	1,335	3,501	11	12	1040A, TPI under $10,000
48	25	8	82	5,567	1,033	892	16	21	Non 1040A, TPI under $10,000
59	80	16	155	2,368	919	662	16	14	TPI $10,000 under $25,000, simple
69	75	16	161	2,362	1,015	649	15	13	TPI $10,000 under $25,000, complex
236	301	49	586	3,107	1,280	1,490	14	13	TPI $25,000 under $50,000
1,932	556	402	2,890	20,254	5,817	12,030	10	18	TPI $50,000 and over
66	25	1	93	5,834	1,746	1,529	13	13	Schedule C-TGR under $25,000
163	62	19	243	7,277	3,380	9,147	9	11	Schedule C-TGR $25,000 under $100,000
954	89	42	1,085	29,399	8,015	15,835	12	16	Schedule C-TGR $100,000 and over
3	1	0	5	4,463	789	1,195	24	26	Schedule F-TGR under $25,000
9	3	0	12	4,436	1,158	569	19	19	Schedule F-TGR $25,000 under $100,000
226	8	13	247	70,391	4,766	18,236	14	20	Schedule F-TGR $100,000 and over
78			**78**	**15,425**			**13**		**Fiduciary**
							18		**Partnerships**
10,576			**10,576**	**236,613**			**14**		**Corporations, total**
208			208	108,439			13		Assets not reported
31			31	7,219			21		Under $50,000
40			40	11,428			20		$50,000 under $100,000
73			73	15,067			21		$100,000 under $250,000
48			0	17,339			20		$250,000 under $500,000
64			64	23,138			18		$500,000 under $1 mil
264			264	40,092			14		$1 mil under $5 mil
168			168	63,913			12		$5 mil under $10 mil
477			477	79,907			9		$10 mil under $50 mil
315			315	113,069			7		$50 mil under $100 mil
570			570	195,731			5		$100 mil under $250 mil
8,172			8,172	2,372,098			4		$250 mil and over
147			**147**	**438,982**			**43**		**Form 1120F**
6			**6**	**657**			**35**		**Small business corporations**
							29		**Form 1120 DISC**
963			**963**	**63,697**			**8**		**Estate, total**
159			159	18,121			9		Gross estate under $1 mil
278			278	50,172			8		Gross estate $1 mil under $5 mil
526			526	643,718			7		Gross estate $5 mil and over
227			**227**	**135,913**			**14**		**Gift**
15,735	1,286	740	17,761	37,982	2,107		13	14	Income, estate and gift, total
159			**159**	**4,074**			**10**		**Excise**
350	**1**		**350**	**7,730**	**528**		**20**	**3**	**Employment**
1,090		**6**	**1,096**	**701,123**		**2,156**	**20**	**3**	**Windfall Profit**
				18,383			**0**		**Miscellaneous**
			477			**947**			**Service center corrections**

[4]Service center no-change rate by class is not available. Service center examinations resulted in 14 percent no-change.

Table 7A.—Information returns and other correction programs (1987)

	Service center contacts	Additional tax and penalties recommended (million)
Underreporter program	2,242,000	$ 1,201*
Other correction programs	463,000	22

*351 million dollars of this total are included on table 7 in service center correction results.

Table 8.—Returns filed, examination coverage and results (1986)

	Returns filed CY 1985	Returns examined: Revenue agents	Tax auditors	Service centers[4]	Total	Percent coverage
Individuals, total	**99,529,000**	**298,968**	**732,456**	**79,542**	**1,110,964**	**1.12**
1040A, TPI[1] under $10,000	20,353,200	9,278	47,807	3,097	60,182	0.30
Non 1040A, TPI under $10,000	9,905,400	6,311	26,465	4,310	37,086	0.37
TPI $10,000 under $25,000, simple	20,903,400	12,295	85,317	3,933	101,545	0.49
TPI $10,000 under $25,000, complex	10,089,700	22,358	91,617	13,626	127,601	1.26
TPI $25,000 under $50,000	23,810,500	58,725	308,077	27,262	394,064	1.66
TPI $50,000 and over	6,507,100	117,388	112,826	21,875	252,089	2.96
Schedule C-TGR[2] under $25,000	1,868,300	9,021	15,255	772	25,048	1.34
Schedule C-TGR $25,000 under $100,000	2,023,600	20,895	23,063	1,949	45,907	2.27
Schedule C-TGR $100,000 and over	1,117,000	36,415	14,768	1,749	52,932	4.74
Schedule F-TGR under $25,000	261,500	657	1,667	150	2,474	0.95
Schedule F-TGR $25,000 under $100,000	453,500	1,727	3,116	316	5,159	1.14
Schedule F-TGR $100,000 and over	235,800	3,896	2,478	503	6,877	2.92
Fiduciary	**2,125,000**	**7,478**			**7,478**	**0.35**
Partnerships	**1,727,500**	**17,216**			**17,216**	**1.00**
Corporations, total	**2,647,400**	**59,688**			**59,688**	**2.25**
Assets not reported	186,400	2,407			2,407	1.28*
Under $50,000[3]	828,500	5,968			5,968	0.72*
$50,000 under $100,000	380,100	5,481			5,481	1.44*
$100,000 under $250,000	512,500	7,252			7,252	1.42*
$250,000 under $500,000	278,800	4,054			4,054	1.45*
$500,000 under $1 mil	189,600	3,868			3,868	2.04*
$1 mil under $5 mil	183,500	9,349			9,349	5.09*
$5 mil under $10 mil	26,200	3,639			3,639	13.89*
$10 mil under $50 mil	28,600	7,400			7,400	25.87*
$50 mil under $100 mil	6,700	3,186			3,186	47.55
$100 mil under $250 mil	4,600	3,272			3,272	71.13
$250 mil and over	4,400	3,434			3,434	78.05
Form 1120F	15,500	358			358	2.31
Small business corporations	**736,900**	**7,931**			**7,931**	**1.08**
Form 1120 DISC	**13,300**	**1,379**			**1,379**	**10.37**
Estate, total	**80,700**	**16,784**			**16,784**	**20.80**
Gross estate under $1 mil	68,500	10,896			10,896	15.91
Gross estate $1 mil under $5 mil	11,300	5,200			5,200	46.02
Gross estate $5 mil and over	900	688			688	76.44
Gift	**97,700**	**1,860**			**1,860**	**1.90**
Income, estate and gift, total	106,957,500	411,302	732,456	79,542	1,223,300	1.14
Excise	**1,149,994**	**46,589**			**46,589**	**4.05**
Employment	**27,409,300**	**35,327**	**1,104**		**36,431**	**0.13**
Windfall profit	**10,506**	**2,432**		**3,628**	**6,060**	**57.68**
Miscellaneous		**45**			**45**	
Service center corrections				**564,036**	**564,036**	

Note: Totals may not add due to rounding.
[1]Total positive income.
[2]Total gross receipts.
[3]Balance sheet assets.
[4]Service center examinations were adjusted to include 19,992 returns with tax shelter issues which were shown as service center correction in the 1986 annual report.
*Coverage percentage has been changed to reflect the most current information available due to the reallocation of Form 1120A return filings.

Table 8.—Continued

Recommended additional tax and penalties (Million): Revenue agents	Tax auditors	Service centers	Total	Average tax and penalty per return: Revenue agents	Tax auditors	Service centers	No-change Percent[4]: Revenue agent	Tax auditor	
4,201	**1,425**	**223**	**5,848**	**14,051**	**1,945**	**2,800**	**9**	**14**	**Individuals, total**
129	57	5	191	13,933	1,195	18,448	9	11	1040A, TPI under $10,000
35	26	6	67	5,523	999	1,425	14	16	Non 1040A, TPI under $10,000
44	78	3	125	3,611	916	720	10	12	TPI $10,000 under $25,000, simple
90	78	8	176	4,032	853	558	11	12	TPI $10,000 under $25,000, complex
273	338	35	645	4,643	1,097	1,276	9	14	TPI $25,000 under $50,000
2,385	650	148	3,183	20,316	5,760	6,767	8	18	TPI $50,000 and over
45	22	1	68	4,946	1,460	1,223	11	14	Schedule C-TGR under $25,000
181	59	5	245	8,683	2,554	2,569	8	14	Schedule C-TGR $25,000 under $100,000
900	104	12	1,016	24,708	7,043	6,759	10	17	Schedule C-TGR $100,000 and over
4	1	0	5	6,158	613	465	11	25	Schedule F-TGR under $25,000
11	3	0	14	6,226	1,017	445	11	22	Schedule F-TGR $25,000 under $100,000
104	8	0	112	26,719	3,180	968	12	23	Schedule F-TGR $100,000 and over
113			**113**	**15,116**			**16**		**Fiduciary**
							19		**Partnerships**
10,857			**10,857**	**181,901**			**16**		**Corporations, total**
160			160	66,518			15		Assets not reported
45			45	7,455			24		Under $50,000
55			55	9,973			25		$50,000 under $100,000
293			293	40,383			23		$100,000 under $250,000
51			0	12,515			20		$250,000 under $500,000
47			47	12,249			18		$500,000 under $1 mil
337			337	36,037			15		$1 mil under $5 mil
153			153	41,968			12		$5 mil under $10 mil
475			475	64,183			10		$10 mil under $50 mil
472			472	148,071			7		$50 mil under $100 mil
908			908	277,386			5		$100 mil under $250 mil
7,754			7,754	2,257,935			2		$250 mil and over
109			109	305,051			35		Form 1120F
140			**140**	**17,634**			**54**		**Small business corporations**
							29		**Form 1120 DISC**
701			**701**	**41,738**			**9**		**Estate, total**
211			211	19,336			10		Gross estate under $1 mil
282			282	54,229			9		Gross estate $1 mil under $5 mil
206			206	299,978			10		Gross estate $5 mil and over
202			**202**	**108,621**			**13**		**Gift**
16,214	1,425	223	17,861	39,420	1,945	2,800	11	14	Income, estate and gift, total
150			**150**	**3,210**			**11**		**Excise**
309	**1**		**311**	**8,759**	**988**		**10**	**13**	**Employment**
977		**9**	**985**	**401,566**		**2,406**	**25**		**Windfall Profit**
1			**1**	**16,162**			**13**		**Miscellaneous**
			624			**1,107**			**Service center corrections**

[4]Service center no-change rate by class is not available. Service center examinations resulted in 17 percent no-change.

Table 8A.—Information returns and other correction programs (1986)

	Service center contacts	Additional tax and penalties recommended (million)
Underreporter program	3,164,000	$ 1,801*
Other correction programs	not available	not available

*344 million dollars of this total are included on table 8 in service center correction results.

Table 9.—Additional tax and penalties recommended after examination by class of tax and by internal revenue regions, districts and other areas
(in thousands of dollars)

	Total	Individual	Fiduciary	Corporation	Subchapter S corporation	Estate	Gift	Excise	Employment	Exempt organizations	Windfall profit	Miscellaneous
Total	19,567,444	5,941,020	78,141	10,595,222	5,960	969,537	226,890	158,755	355,670	129,740	1,096,306	202
North Atlantic	3,057,302	1,031,850	8,547	1,745,215	138	143,492	27,645	16,587	28,907	51,733	187	—
Mid-Atlantic	1,704,057	534,470	2,670	934,996	239	72,837	3,561	24,042	124,090	335	6,818	—
Southeast	2,404,108	695,902	1,844	1,406,948	355	151,086	42,902	22,520	12,271	66,311	3,970	—
Central	1,706,667	373,702	10,619	985,252	327	67,365	6,971	25,827	42,691	3,592	190,420	—
Midwest	2,684,378	445,277	19,596	2,052,697	120	88,214	16,465	16,744	20,197	3,810	1,259	—
Southwest	4,613,466	1,618,171	22,579	1,530,697	2,573	354,403	122,219	35,436	78,848	3,201	848,393	148
Western	3,357,289	1,212,110	12,385	1,920,100	2,209	84,424	7,076	17,600	45,315	10,758	45,259	54
Assistant Commissioner (International)	60,176	29,539	—	19,316	—	5,717	51	—	5,553	—	—	—
North Atlantic Region:												
Albany	67,928	24,480	158	58,946	—	3,741	14	344	245	—	—	—
Augusta	59,810	8,255	6	48,619	—	135	—	601	2,196	—	—	—
Boston	336,047	88,375	3,000	206,327	45	23,811	2,248	7,669	4,542	—	30	—
Brooklyn	339,815	151,774	259	132,349	7	128	—	1,507	2,043	51,733	14	—
Buffalo	220,560	47,941	702	156,703	—	11,568	21	4,335	174	—	15	—
Burlington	5,292	3,704	3	1,234	—	131	9	22	190	—	—	—
Hartford	303,803	42,436	3,386	243,195	—	12,830	382	882	692	—	—	—
Manhattan	1,192,522	200,885	1,023	856,883	86	92,980	24,972	1,067	14,619	—	7	—
Portsmouth	25,457	11,127	6	14,155	—	56	—	31	80	—	—	—
Providence	39,442	7,269	4	26,805	—	111	—	129	5,126	—	—	—
Andover Service Center	65,819	65,819	—	—	—	—	—	—	—	—	—	—
Brookhaven Service Center	380,807	380,686	—	—	—	—	—	—	—	—	121	—
Mid-Atlantic Region:												
Baltimore	337,294	147,262	619	149,365	54	28,894	1,387	1,721	4,120	96	3,775	—
Newark	628,226	148,271	716	352,126	21	12,349	158	6,700	107,646	239	—	—
Philadelphia	402,794	119,299	934	242,180	39	21,973	891	11,900	5,278	—	301	—
Pittsburgh	129,082	42,103	127	77,674	4	1,050	—	3,073	2,310	—	2,742	—
Richmond	86,534	58,525	250	15,443	120	7,896	1,124	480	4,683	—	—	—
Wilmington	108,405	9,289	14	98,207	—	672	—	169	54	—	—	—
Philadelphia Service Center	9,722	9,722	—	—	—	—	—	—	—	—	—	—
Southeast Region:												
Atlanta	429,429	85,782	146	222,344	49	44,124	5,960	1,931	2,783	66,311	—	—
Birmingham	83,043	30,231	149	49,424	—	541	—	2,484	160	—	54	—
Columbia	55,181	26,795	0	24,273	—	—	—	3,063	1,043	—	6	—
Ft. Lauderdale	304,656	141,087	534	115,315	25	42,526	1,198	2,984	986	—	—	—
Greensboro	148,324	51,097	45	86,002	49	20,722	1,377	4,913	2,090	—	—	—
Jackson	29,343	17,898	0	10,568	112	—	—	503	186	—	75	—
Jacksonville	233,656	128,897	848	83,993	29	11,083	5,219	1,607	1,978	—	3	—
Little Rock	96,014	39,019	32	27,979	2	—	28,073	562	349	—	—	—
Nashville	325,008	61,307	78	242,885	52	15,572	426	3,466	1,222	—	1	—
New Orleans	651,488	63,824	12	564,135	39	18,518	649	1,006	1,474	—	3,831	—
Atlanta Service Center	27,252	27,252	—	—	—	—	—	—	—	—	—	—
Memphis Service Center	22,712	22,712	—	—	—	—	—	—	—	—	—	—
Central Region:												
Cincinnati	283,401	40,693	3,972	209,352	—	14,540	786	8,177	2,287	3,592	1	—
Cleveland	567,931	103,261	3,935	238,095	327	17,838	2,079	4,468	8,640	—	189,289	—
Detroit	423,483	110,824	1,623	264,345	*	13,937	484	5,913	25,317	—	1,040	—
Indianapolis	202,051	57,329	406	118,861	*	16,330	1,828	2,333	4,862	—	78	—
Louisville	166,986	31,492	84	148,112	*	1,966	1,530	2,476	1,215	—	11	—
Parkersburg	23,691	10,978	497	6,488	—	2,754	164	2,460	351	—	—	—
Cincinnati Service Center	19,124	19,124	—	—	—	—	—	—	—	—	—	—
Midwest Region:												
Aberdeen	10,413	5,736	2	1,201	—	1,475	84	1,571	344	—	—	—
Chicago	1,061,476	205,814	13,033	782,623	112	33,262	4,918	1,921	5,435	3,810	549	—
Des Moines	71,891	20,779	411	43,391	—	3,697	14	2,461	993	—	146	—
Fargo	11,171	7,109	9	1,094	—	2,079	200	228	429	—	24	—
Helena	14,500	8,796	—	1,354	2	2,148	115	1,362	201	—	523	—
Milwaukee	184,785	39,062	564	131,888	—	4,841	2,667	1,701	4,063	—	—	—
Omaha	80,382	15,683	144	58,660	—	3,664	62	1,117	1,051	—	—	—
Springfield	222,320	29,798	673	171,151	*	16,014	236	2,475	1,989	—	4	—
St. Louis	582,160	49,267	4,720	508,540	6	8,068	5,405	1,939	4,210	—	5	—
St. Paul	409,455	47,409	41	—	*	12,966	2,765	1,969	1,502	—	9	—
Kansas City Service Center	15,824	15,824	—	—	—	—	—	—	—	—	—	—
Southwest Region:												
Albuquerque	33,093	19,993	—	7,266	5	4,281	159	571	796	—	23	—
Austin	213,523	105,580	185	75,787	15	20,518	617	5,441	4,381	—	1,019	—
Cheyenne	21,556	14,407	1,748	4,120	60	894	—	210	115	—	—	—
Dallas	1,084,939	584,989	1,262	252,258	917	33,129	115,302	4,336	2,959	3,201	86,592	—
Denver	409,641	280,605	193	62,419	73	56,385	238	1,903	4,378	—	3,448	—
Houston	1,610,513	205,527	16,018	713,559	341	10,148	1,477	4,391	9,574	—	649,478	—
Oklahoma City	502,122	136,760	272	234,564	1,135	15,094	1,134	10,987	527	—	101,648	—
Phoenix	141,324	61,460	2,364	47,209	2	13,033	460	488	16,159	—	—	148
Salt Lake City	115,090	41,821	33	70,974	1	—	—	1,418	843	—	—	—
Wichita	357,982	49,281	523	62,541	23	200,926	2,832	5,690	35,916	—	251	—
Austin Service Center	27,653	21,935	—	—	—	—	—	—	—	—	5,918	—
Ogden Service Center	95,830	95,813	—	—	—	—	—	—	—	—	17	—
Western Region:												
Anchorage	65,892	52,563	647	10,092	—	1,505	—	442	643	—	0	—
Boise	47,238	21,964	164	9,429	—	2,341	—	537	12,804	—	0	—
Honolulu	37,496	16,953	17	19,926	—	121	—	80	398	—	0	—
Laguna Niguel	779,950	230,147	1,138	512,226	1,647	11,059	557	4,845	16,138	—	2,193	—
Los Angeles	1,378,415	339,608	1,326	950,489	234	17,080	3,703	4,469	7,794	10,758	42,953	—
Portland	115,348	47,919	235	60,372	160	5,000	399	565	697	—	—	—
LasVegas	107,256	55,072	7	40,406	—	11,428	—	50	292	—	—	—
Sacramento	128,138	77,775	1,757	31,815	15	14,337	414	688	1,337	—	—	—
San Jose	137,313	103,373	3,566	18,199	43	8,156	1,813	1,165	856	—	75	46
San Francisco	277,847	109,548	3,380	154,651	12	7,720	119	1,006	1,365	—	37	6
Seattle	200,980	75,769	147	112,495	98	5,675	71	3,794	2,991	—	—	—
Fresno Service Center	81,417	81,417	—	—	—	—	—	—	—	—	—	—

*Less than $500

Table 10.—Number of returns examined by class of tax and by internal revenue regions, districts and other areas

	Total	Individual	Partnership	Fiduciary	Corporation	Subchapter S corporation	Domestic international sales corporation	Estate	Gift	Excise	Employment	Exempt organizations	Employee plans	Windfall profit	Miscellaneous
Total	1,329,355	1,114,694	19,776	5,069	44,822	9,089	1,295	15,284	1,873	38,966	47,532	18,094	8,669	4,381	11
North Atlantic	161,653	135,655	1,921	1,248	7,271	1,241	242	2,527	228	4,024	3,914	2,441	829	112	—
Mid-Atlantic	127,920	106,617	1,866	433	5,229	866	133	2,052	126	3,313	4,138	1,607	1,484	78	—
Southeast	185,098	158,138	1,889	323	6,319	1,634	121	1,945	258	5,956	5,839	1,714	820	142	—
Central	134,159	109,149	1,603	607	5,175	1,383	168	1,775	136	3,871	5,442	3,303	1,433	113	1
Midwest	155,969	121,483	1,915	1,351	7,262	1,300	281	2,152	478	6,315	8,676	3,062	1,631	63	—
Southwest	244,654	205,266	4,452	444	8,660	1,394	90	1,930	270	7,925	8,460	3,299	822	3,639	4
Western	312,672	272,907	6,123	660	6,781	1,254	257	2,736	173	7,562	9,848	2,668	1,670	227	6
Assistant Commissioner (International)	7,030	5,479	7	3	125	17	3	167	4	0	1,215	0	0	10	0
North Atlantic Region:															
Albany	7,455	6,365	22	61	304	52	10	180	11	247	203	—	—	—	—
Augusta	3,993	2,690	17	3	345	41	2	3	—	421	470	—	—	1	—
Boston	20,906	15,663	225	465	1,495	144	52	557	60	889	1,348	—	—	8	—
Brooklyn	30,343	24,417	221	23	1,042	233	20	3	—	754	347	2,441	829	13	—
Buffalo	16,100	13,578	192	150	635	125	21	243	42	742	318	—	—	53	—
Burlington	2,188	1,768	16	7	116	15	0	9	1	38	218	—	—	—	—
Hartford	13,482	10,911	196	251	834	245	37	429	30	247	295	—	—	7	—
Manhattan	30,013	23,875	969	271	2,146	345	95	1,090	83	579	531	—	—	29	—
Portsmouth	3,069	2,812	18	6	101	16	2	7	—	25	102	—	—	—	—
Providence	2,959	2,452	45	11	253	24	3	6	1	82	82	—	—	—	—
Andover Service Center	12,731	12,731	—	—	—	—	—	—	—	—	—	—	—	—	—
Brookhaven Service Center	18,394	18,393	—	—	—	—	—	—	—	—	—	—	—	1	—
Mid-Atlantic Region:															
Baltimore	24,159	19,551	473	92	1,001	222	10	390	19	636	598	692	454	21	—
Newark	29,323	23,384	420	186	1,486	186	32	581	27	604	456	915	1,010	36	—
Philadelphia	28,516	23,443	590	88	1,334	213	23	766	36	734	1,278	—	—	11	—
Pittsburgh	14,365	11,860	128	29	847	57	51	32	—	993	561	—	—	7	—
Richmond	18,776	16,079	231	26	506	158	12	279	44	256	1,184	—	—	1	—
Wilmington	2,954	2,473	24	12	255	30	5	4	—	90	61	—	—	—	—
Philadelphia Service Center	9,627	9,827	—	—	—	—	—	—	—	—	—	—	—	—	—
Southeast Region:															
Atlanta	29,393	23,014	388	53	876	237	28	328	80	1,007	848	1,714	820	—	—
Birmingham	13,783	12,031	50	17	538	61	10	3	1	666	378	—	—	8	—
Columbia	9,863	8,349	129	3	389	70	7	—	—	245	670	—	—	1	—
Ft. Lauderdale	19,141	15,711	355	35	1,001	419	12	499	46	679	374	—	—	10	—
Greensboro	18,865	15,548	275	40	809	166	13	263	35	655	1,060	—	—	1	—
Jackson	8,637	7,076	100	7	334	47	5	—	—	681	331	—	—	56	—
Jacksonville	24,980	22,123	218	114	772	314	24	318	31	394	570	—	—	2	—
Little Rock	6,423	5,406	114	6	252	68	1	—	2	205	369	—	—	0	—
Nashville	17,131	14,673	139	40	600	102	10	275	35	893	363	—	—	1	—
New Orleans	18,191	15,416	121	8	748	130	11	259	28	531	878	—	—	63	—
Atlanta Service Center	9,705	9,705	—	—	—	—	—	—	—	—	—	—	—	—	—
Memphis Service Center	9,086	9,086	—	—	—	—	—	—	—	—	—	—	—	—	—
Central Region:															
Cincinnati	21,296	13,311	270	137	654	112	16	382	39	468	1,163	3,303	1,433	8	—
Cleveland	33,069	27,427	603	242	1,773	215	36	645	47	1,091	944	—	—	46	—
Detroit	30,933	25,686	343	86	1,309	302	79	437	13	1,450	1,185	—	—	33	—
Indianapolis	21,248	18,029	211	83	652	531	30	224	17	307	1,145	—	—	18	1
Louisville	10,167	8,482	150	19	496	188	5	12	14	194	600	—	—	7	—
Parkersburg	5,854	4,622	26	40	291	35	2	75	6	351	405	—	—	1	—
Cincinnati Service Center	11,592	11,592	—	—	—	—	—	—	—	—	—	—	—	—	—
Midwest Region:															
Aberdeen	2,788	2,045	23	20	179	24	—	74	27	125	271	—	—	—	—
Chicago	50,191	36,816	544	765	2,551	361	186	549	131	1,538	2,234	3,062	1,631	23	—
Des Moines	8,704	6,816	88	85	547	127	2	169	4	533	331	—	—	2	—
Fargo	4,680	3,896	42	5	140	27	2	88	8	190	279	—	—	3	—
Helena	4,829	4,033	84	22	145	42	—	53	7	308	130	—	—	5	—
Milwaukee	15,593	11,549	188	99	1,066	111	—	160	39	686	1,695	—	—	—	—
Omaha	7,802	5,749	42	55	308	86	3	163	31	975	369	—	—	1	—
Springfield	11,199	8,708	96	86	686	98	23	286	89	480	638	—	—	11	—
St.Louis	21,737	16,860	597	186	958	187	15	369	45	519	1,988	—	—	13	—
St. Paul	19,512	16,077	211	28	882	237	50	241	97	961	723	—	—	5	—
Kansas City Service Center	8,934	8,934	—	—	—	—	—	—	—	—	—	—	—	—	—
Southwest Region:															
Albuquerque	6,482	5,569	83	3	159	37	—	36	2	437	143	—	—	13	—
Austin	30,367	26,249	271	63	1,261	179	6	222	17	583	1,432	—	—	84	—
Cheyenne	4,235	3,468	93	10	143	37	—	48	17	255	194	—	—	—	—
Dallas	46,825	35,138	1,453	127	1,638	236	9	496	115	1,350	1,823	3,299	822	319	—
Denver	19,853	15,931	619	77	685	178	17	189	27	1,209	858	—	—	63	—
Houston	35,138	30,234	1,016	73	875	301	20	265	27	1,004	1,119	—	—	204	—
Oklahoma City	21,892	18,526	178	35	837	154	21	250	17	1,392	392	—	—	110	—
Phoenix	16,908	14,325	332	22	394	112	10	170	17	256	666	—	—	—	4
Salt Lake City	10,750	9,566	291	12	258	62	—	—	—	272	289	—	—	—	—
Wichita	13,943	10,214	116	22	410	98	7	274	31	1,167	1,574	—	—	30	—
Austin Service Center	17,915	15,103	—	—	—	—	—	—	—	—	—	—	—	2,812	—
Ogden Service Center	20,946	20,943	—	—	—	—	—	—	—	—	—	—	—	3	—
Western Region:															
Anchorage	6,851	5,658	82	32	231	49	12	15	—	194	377	—	—	—	1
Boise	5,287	3,489	46	10	126	45	—	47	—	396	1,128	—	—	—	—
Honolulu	5,101	4,429	125	11	151	34	—	18	2	107	222	—	—	2	—
Laguna Niguel	54,008	48,603	1,367	83	920	203	47	363	29	1,094	1,198	—	—	101	—
Los Angeles	48,071	35,604	1,471	114	1,393	227	62	704	44	1,480	2,585	2,668	1,670	57	2
Portland	11,734	8,617	386	51	567	168	17	221	11	709	967	—	—	—	—
Las Vegas	9,148	8,387	71	8	207	65	—	45	5	293	67	—	—	—	—
Sacramento	21,626	18,594	416	26	688	83	15	278	16	856	654	—	—	—	—
San Jose	29,347	26,612	663	63	531	62	20	322	24	472	559	—	—	18	1
San Francisco	28,281	24,010	924	147	1,062	111	37	451	8	913	567	—	—	49	2
Seattle	28,481	23,767	572	115	915	207	47	272	34	1,048	1,504	—	—	—	—
Fresno Service Center	64,937	64,937	—	—	—	—	—	—	—	—	—	—	—	—	—

Table 11.—Returns examined by examination divisions

	1986*	1987
Additional tax proposed	932,190	917,034
Refunds proposed	98,655	90,589
No adjustments proposed	281,555	287,999
Total	1,312,400	1,295,622
Disposition of examined returns		
Not appealed	1,145,700	1,157,131
Appealed administratively	107,788	89,848
Petitioned to the U.S. Tax Court	58,912	48,643
Total	1,312,400	1,295,622

*1986 data revised to include service center tax shelter returns in examinations.

Table 12.—Examinations resulting in refunds (excluding claims for refunds)

	Number of returns		Amount recommended (in thousand of dollars)	
	1986	1987	1986	1987
Individuals	56,428	50,902	137,876	139,576
Fiduciary	1,162	870	10,400	9,981
Corporations	5,008	3,747	402,879	387,831
Estate	2,579	2,335	83,426	52,275
Gift	46	45	728	1,624
Excise	2,371	1,920	68,830	92,388
Employment	708	543	32,549	5,030
Miscellaneous	8	—	112	—
Total	68,310	60,362	736,800	688,704

Table 13.—Results of delinquent collection activity
(in thousands)

	1986	1987
Taxpayer delinquent accounts[1]		
Taxpayer delinquent accounts yield	$4,897,645	$ 6,421,420
Opening inventory	1,692	1,938
Issuances[2]	2,664	3,015
Dispositions	2,419	2,631
Closing inventory		
(a) Number of accounts (including queue)	1,938	2,322
(b) Number of queue accounts	113	271
(c) Balance of assessed tax, penalty and interest	$11,921,808	$14,277,991
Delinquent return investigations		
Opening inventory	1,040	909
Issuances[2]	1,396	1,540
Dispositions	1,527	1,055
Closing inventory (including queue)	909	1,394
Number of queue accounts	92	197
Returns compliance investigations closed	28	14
Miscellaneous investigations closed[3]	117	47
Offers in compromise received	6	7
Enforcement activity		
Notice of federal tax lien filed	767	837
Notice of levy served upon third party	1,617	2,056
Seizures of property made	22	20

[1]The 1987 Taxpayer Delinquent Account issuances are initiated by approximately 200,000 due to the Non Master File (NMF) conversion, those cases issued on NMF and now on Individual Master File (IMF).
[2]Adjusted to balance in accounting method.
[3]Reduction due to change in program definition.

Table 14.—Civil penalties assessed and abated
(dollars in thousands)

	Assessments		Abatements		Net penalties	
	Number	Amount	Number	Amount	Number	Amount
Individual						
Delinquency	1,744,288	646,619	192,913	141,617	1,551,375	505,002
Estimated tax	2,934,267	503,742	146,331	70,981	2,787,936	432,761
Failure to pay	7,163,664	446,617	912,473	54,880	6,251,191	391,737
Bad check	234,086	3,772	8,638	1,179	225,448	2,593
Fraud	11,595	171,474	764	26,636	10,831	144,838
Negligence	953,632	303,604	28,860	43,133	924,772	260,471
False withholding	16,270	1,857	19	10	16,251	1,847
Other[1]	80,043	140,063	13,371	82,806	66,672	57,277
Total	13,137,845	2,217,768	1,303,369	421,242	11,834,476	1,796,526
Corporation[2]						
Delinquency	156,786	499,775	48,554	493,914	108,232	5,861
Estimated tax	304,447	439,160	49,825	349,101	254,622	90,059
Failure to pay	420,491	251,601	149,663	272,570	270,828	(20,969)
Bad check	3,427	110	267	57	3,160	53
Fraud	537	34,644	32	19,277	505	15,367
Negligence	3,194	27,141	201	7,510	2,993	19,631
Miscellaneous	113,958	282,414	25,965	137,788	87,993	144,626
Total	1,002,840	1,534,845	274,507	1,280,217	728,333	254,628
Employment[3]						
Delinquency	2,576,679	860,263	379,232	320,313	2,197,447	539,950
Miscellaneous	6,407	5,684	2,482	3,512	3,925	2,172
Failure to pay	5,055,410	374,949	981,827	162,894	4,073,583	212,055
Federal tax deposits	3,477,077	2,447,103	519,755	790,192	2,957,322	1,656,911
Bad check	122,027	2,903	3,047	313	118,980	2,590
Fraud	886	2,585	73	172	813	2,413
Other	192	360	20	95	172	265
Total	11,238,678	3,693,847	1,886,436	1,277,491	9,352,242	2,416,356
Excise[4]						
Delinquency	283,787	52,394	38,386	24,964	245,401	27,429
Daily delinquency	44,837	71,489	32,980	57,969	11,857	13,520
Failure to pay	352,123	22,271	74,127	16,006	277,996	6,265
Federal tax deposits	45,586	90,190	6,984	32,246	36,604	57,945
Bad check	5,121	56	232	20	4,889	36
Fraud	1,141	5,562	204	340	937	5,222
Other[5]	425	1,959	97	267	328	1,692
Total	733,022	243,922	155,010	131,813	578,012	112,109
Estate and Gift						
Delinquency	7,640	45,737	3,370	44,126	4,270	1,611
Miscellaneous	146	716	26	160	120	556
Failure to pay	11,396	27,048	7,226	25,352	4,170	1,696
Bad check	289	91	66	62	223	28
Fraud	14	1,583			14	1,583
Negligence	15	79	3	36	12	43
Total	19,500	75,253	10,691	69,736	8,809	5,517
All Other[6]						
Delinquency	230,971	367,696	117,130	426,393	113,841	(58,697)
Failure to pay	115,742	11,527	42,970	7,852	72,772	3,675
Bad check	2,443	54	184	16	2,259	38
Fraud	1	*	—	—	1	*
Negligence	137	642	19	132	118	510
Miscellaneous	8,805	12,726	6,348	16,081	2,457	(3,355)
Total	358,099	392,645	166,651	450,474	191,448	(57,829)
Non-return[7]	478,287	6,091,110	71,650	621,662	406,637	5,467,448
Total, all civil penalties[8]	26,968,271	14,249,389	3,868,314	4,254,634	23,099,957	9,994,756

Note: With the exception of estimated tax, assessments and abatements can apply to any tax year. Negative net amounts reflect abatements of assessments reported in a prior fiscal year.
[1]Includes taxpayer identification number, failure to report tips and miscellaneous.
[2]Includes Forms 1120, 990C and 990T.
[3]Includes Forms 940,941,942,943 and CT-1.
[4]Includes Forms 1041A,5227,990PF,990 4720,4638,2290,11,11C,720 and 730.
[5]Includes negligence and miscellaneous.
[6]Includes Forms 1041,1065 and individual retirement account file.
[7]Includes penalties assessable under the Tax Equity and Fiscal Responsibility Act of 1982 and the Tax Reform Act of 1984. Also contains amounts under IRC section 6672 but not reported in prior years because they were manually assessed. The amounts can now be reported because they were transferred to the computerized master file this year. Actual non-return penalty amounts for FY 1987 were 268,656 assessments for $1,343,565,000 and 70,846 abatements for $612,372,000.
[8]Includes prior year penalties referred to in Footnote 7. Actual net penalties imposed for FY 1987 were 22,889,130 totaling $5,258,500,000.
*Less than $500.

Table 15.—Appeals division workload not before the tax court (nondocketed)

	Number of Cases[1]	
	1986	1987
Received	52,390	49,443
Regular Work	29,838	28,982
Tax Shelters	22,552	20,461
Disposed of by Agreement	34,630	39,688
Regular Work	23,717	23,448
Tax Shelters	10,913	16,240
Disposed of as unagreed[2]	2,413	2,086
Regular Work	2,246	2,043
Tax Shelters	167	43

[1]A Case represents taxpayers grouped together by tax periods with common or related issues that may be considered and disposed of together.
[2]Cases docketed in the Tax Court in response to a notice of deficiency issued by appeals are not included because they remain in inventory, merely shifting from nondocketed to docketed status. However, such cases are considered unagreed for purposes of computing the year's nondocketed agreement rate of 86.9 percent.
Note: In addition, Appeals closed 6,868 penalty appeal and employee plan exempt organization cases.

Table 16.—Appeals division workload petitioned to the tax court (docketed)

	Number of Cases[1]	
	1986	1987
Received	38,430	40,491
Regular Work	20,782	22,685
Tax Shelters	17,648	17,806
Disposed of by Agreement	25,941	31,412
Regular Work	17,922	17,859
Tax Shelters	8,019	13,553
Disposed of as unagreed[2]	4,026	3,997
Regular Work	3,251	3,012
Tax Shelters	775	985

[1]A Case represents taxpayers grouped together by tax periods with common or related issues that may be considered and disposed of together.
[2]Cases docketed in the Tax Court in response to a notice of deficiency issued by appeals that are subsequently tried or settled by Counsel are included. However, they are excluded in computing the 91.9 percent docketed agreement rate for the year because they were already considered as unagreed for purposes of computing the nondocketed agreement rate.

Table 17.—Requests for EP/EO tax rulings and technical advice (closings)

Subject	Total	Taxpayers' requests for tax rulings	Field requests for technical advice
Total	7,300	6,780	520
Actuarial matters	937	916	21
Exempt organizations	3,918	3,513	405
Employee plans	2,445	2,351	94

Table 18.—Determination letters issued on ERISA employee benefit plans

Letters issued	Stock bonus	Money purchase	Target benefit	Profit sharing	ESOP	Total defined contribution	Defined benefit	Total
Initial qualifications:								
Qualified	562	13,651	570	38,765	272	53,820	22,706	76,526
Participating employees**	267,627	220,308	5,739	9,068,170	197,678	9,759,522	5,117,480	14,877,002
Not qualified	1	1	0	10	0	12	4	16
Amendments:								
Qualified	1,722	43,742	1,229	85,251	307	132,251	62,365	194,616
Not qualified	0	7	0	16	0	23	5	28
Terminations:								
Qualified	64	6,522	147	10,416	*	17,149	12,097	29,246
Not qualified	0	6	0	13	0	19	4	23

*The termination reporting system does not distinguish between stock bonus and ESOP plans.
**These figures may include employees that are counted as participants in more than one plan.

Table 19.—Number of exempt organizations returns examined by type

Section 501(c)(3)	Private foundation	3,838
	Nonexempt charitable trusts	259
501(c)(3)	All others	4,769
501(c)(4)	Civic Leagues, social welfare	1,214
501(c)(5)	Labor, agriculture, horticulture	1,065
501(c)(6)	Business leagues	1,940
501(c)(7)	Social and recreational club	2,429
501(c)	All others	2,177
521	Farmers' cooperatives	403
TOTAL		**18,094**

Table 20.—Number of active entities on exempt organizations master file

	1986	1987
Section 501(c):		
(1) Corporations organized under act of Congress	24	24
(2) Titleholding corps	5,859	5,977
(3) Religious, charitable, etc	* 393,051	* 422,103
(4) Social welfare	133,940	138,485
(5) Labor, agriculture organizations	76,236	75,238
(6) Business leagues	57,064	59,981
(7) Social and recreation clubs	58,625	60,146
(8) Fraternal beneficiary societies	95,623	98,979
(9) Voluntary employees' beneficiary societies	10,776	10,927
(10) Domestic fraternal beneficiary societies	17,931	17,813
(11) Teachers' retirement funds	11	11
(12) Benevolent life insurance assns.	5,392	5,572
(13) Cemetery companies	7,600	7,942
(14) Credit unions	6,068	6,652
(15) Mutual insurance companies	949	950
(16) Corps. to finance crop operation	18	18
(17) Supplemental unemployment benefit trusts	712	728
(18) Employee funded pensions trusts	3	5
(19) War veterans' organizations	24,716	24,749
(20) Legal service organizations	191	210
(21) Black lung trusts	19	21
501(d) Religious and apostolic organizations	**82**	**88**
501(e) Cooperative hospitals	**81**	**80**
501(f) Coop. service orgs. of operating educational orgs.	**0**	**1**
521 Farmers' cooperatives	**2,453**	**2,405**
Taxable Farmers' cooperatives	**2,133**	**3,150**
Nonexempt charitable trusts	**29,858**	**38,421**
TOTAL	**929,415**	**978,676**

*All section 501(c)(3) organizations are not included because certain organizations, such as churches, integrated auxiliaries, subordinate units and conventions or associations of churches, need not apply for recognition of exemption unless they desire a ruling.

Table 21.—Disposal of exempt organizations applications

	Applications for determination			
	Approved	Denied	Other *	Total
Section 501(c):				
(1) Corporations organized under act of Congress	0	0	1	1
(2) Titleholding corps	160	10	178	348
(3) Religious, charitable, etc	34,325	558	13,484	48,367
(4) Social welfare	2,520	53	927	3,500
(5) Labor, agriculture organizations	461	9	139	609
(6) Business leagues	2,191	62	618	2,871
(7) Social and recreation clubs	1,456	60	911	2,427
(8) Fraternal beneficiary societies	31	9	26	66
(9) Voluntary employees' beneficiary societies	158	2	209	369
(10) Domestic fraternal beneficiary societies	44	2	62	108
(11) Teachers' retirement funds	0	0	0	0
(12) Benevolent life insurance assns.	167	4	130	301
(13) Cemetery companies	293	0	55	348
(14) Credit unions	75	0	3	78
(15) Mutual insurance companies	41	0	23	64
(16) Corps. to finance crop operation	0	0	0	0
(17) Supplemental unemployment benefit trusts	26	0	15	41
(18) Employee funded pension trusts	0	0	0	0
(19) War veterans' organizations	177	2	89	268
(20) Legal service organizations	13	1	9	23
(21) Black lung trusts	2	0	0	2
(22) Employer liability trusts	0	0	0	0
501(d) Religious and apostolic organizations	**7**	**0**	**0**	**7**
501(e) Cooperative hospitals	**1**	**0**	**1**	**2**
501(f) Coop. service orgs. of operating educational orgs.	**0**	**0**	**1**	**1**
521 Farmers' cooperatives	**21**	**1**	**26**	**48**
Nonexempt charitable trusts	**23**	**0**	**2**	**25**
National Office rulings and determination letters	**1,772**	**239**	**633**	**2,644**
TOTAL	**43,964**	**1,012**	**17,542**	**62,518**

*Application withdrawn by taxpayer and failure to furnish required information.

Table 22.—Internal revenue collections, costs, employees and U.S. population

Fiscal year	Operating cost (1)	Collections (2)	Cost of collecting $100 (3)	Population (Thousands) (4)	Tax per capita (5)	Total (6)	National Office (7)	Field (8)
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	500,894,314	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	655.69	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	153,363,837,665	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	888,159,162	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[1]	293,822,725,772	0.54	213,559	1,375.84	82,339	4,531	77,808
1976	1,667,311,689[1]	302,919,791,922	0.56	215,142	1,406.14	84,264	4,732	79,532
1977	1,790,588,738[1]	358,139,416,730	0.50	217,329	1,647.91	83,743	4,994	78,749
1978	1,962,129,287[1]	399,776,389,362	0.49	219,033	1,826.61	85,329	4,919	80,410
1979	2,116,166,276[1]	460,412,185,013	0.46	220,999	2,083.32	86,168	4,978	81,190
1980	2,280,838,622[1]	519,375,273,361	0.44	228,231[2]	2,275.66[2]	87,464	5,114	82,350
1981	2,465,468,704[1]	606,799,120,830	0.41	230,613[2]	2,631.24[2]	86,156	5,110	81,046
1982	2,626,338,036[1]	632,240,505,585	0.42	232,962[2]	2,713.92[2]	82,857	5,098	77,759
1983	2,968,525,840[1]	627,246,732,581	0.47	235,225[2]	2,666.58[2]	83,605[3]	4,357[3]	79,248
1984	3,279,067,495[1]	680,475,229,453	0.46	237,454[2]	2,865.71[2]	87,635[3]	5,327[3]	82,308
1985	3,600,952,523[1]	742,871,541,283	0.48	239,714[2]	3,098.99[2]	92,254	5,454	86,800
1986	3,841,983,050[1]	782,251,812,225	0.49	241,995[2]	3,232.51[2]	95,880	5,361	90,519
1987	4,365,816,254[1]	886,290,589,996	0.49	244,202	3,629.33	102,188	6,253	95,935

[1]This figure represents actual IRS operating costs from fiscal year 1975 exclusive of reimbursements received from other agencies for services performed. While the operating cost figures for fiscal years prior to 1975 may in some cases include reimbursements, those amounts are small and do not 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&T transfer-July 1972. AT&T included in years 1956–71.
—Eleven average positions transferred to office of the Secretary in 1965. Twenty average positions transferred to office of the Secretary in 1963.
[2]Population and Tax per Capita figures have been revised to agree with the Census Bureaus' adjusted data on population.
[3]Methodology to count average positions realized was adjusted in 1984 to conform to Office of Personnel Management instructions 1983 average positions realized also are adjusted for comparability.

Table 23.—Costs incurred by the Internal Revenue Service by activity
(in thousands of dollars)

Appropriation by Activity	Total 1986	Total 1987	Pers. Comp. and Benefits 1986	Pers. Comp. and Benefits 1987	Other 1986	Other 1987
Total Obligations, Appropriations and Reimbursements	**3,866,907**	**4,405,115**	**2,761,579**	**3,051,431**	**1,105,228**	**1,353,684**
Obligations against appropriated funds	3,841,985	4,365,818	2,749,418	3,036,116	1,092,567	1,329,702
Salaries and Expenses						
Total	**89,475**	**90,693**	**67,380**	**56,300**	**22,115**	**34,393**
Executive Direction	6,638	8,330	5,409	5,512	1,229	2,818
Management Services	82,837	82,363	61,951	50,788	20,886	31,575
Processing Tax Returns						
Total	**1,247,483**	**1,421,112**	**707,948**	**780,694**	**539,535**	**640,418**
Returns Processing and Revenue Accounting	917,985	1,056,202	577,555	662,982	340,430	393,220
Computer Services	329,498	364,910	130,393	117,712	199,105	247,198
Examination and Appeals						
Total	**1,401,171**	**1,531,990**	**1,149,924**	**1,303,682**	**251,247**	**328,308**
Examination	1,139,501	1,304,179	933,884	1,032,387	205,617	271,792
Appeals and Tax Litigation	162,639	189,694	133,598	160,797	29,041	28,897
Employee Plans and Exempt Organizations	99,031	104,980	82,442	84,536	16,589	20,444
International[1]	0	33,137	0	25,962	0	7,175
Investigation, Collection and Taxpayer Service						
Total	**1,103,856**	**1,222,023**	**824,186**	**895,440**	**279,670**	**326,583**
Tax Fraud Investigations	221,305	245,370	171,201	182,015	50,104	63,355
Collection	606,498	660,659	467,094	500,772	139,404	159,887
Taxpayer Service	208,212	249,606	130,001	153,836	78,211	95,768
Enforcement Litigation and Technical	67,841	66,388	55,890	58,815	11,951	7,573
Reimbursable Obligations, Total	**24,922**	**39,297**	**12,261**	**15,315**	**12,661**	**23,982**

[1]International was formed during FY 1987.

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

Internal Revenue Office, District or Region	Total (1)	Personnel Compensation (2)	Travel (3)	Equipment (4)	Other (5)
A. TOTAL INTERNAL REVENUE SERVICE	**4,405,115**	**3,051,431**	**135,740**	**112,825**	**1,105,119**
National Office	863,204	299,623	25,695	45,835	492,051
North Atlantic	510,983	389,927	11,116	8,213	101,727
Mid Atlantic	371,615	286,127	8,750	8,586	68,152
Southeast	512,050	394,993	18,687	9,265	89,105
Central	313,786	242,389	10,969	5,062	55,366
Midwest	358,707	282,998	11,914	7,239	56,506
Southwest	597,801	470,406	17,985	8,956	100,454
Western	571,289	435,994	20,092	7,851	107,352
Regional Appeals	105,817	96,169	3,134	2,766	3,748
Regional Counsel	77,597	66,956	3,219	3,784	3,638
Regional Inspection	40,378	32,870	3,495	1,682	2,331
National Computer Center	27,304	15,414	215	738	10,937
IRS Data Center	54,584	37,565	469	2,798	13,752
B. REGIONAL COMMISSIONERS' OFFICE (excluding District Directors Offices and Service Centers)	**294,215**	**78,009**	**15,783**	**12,844**	**189,579**
North Atlantic	20,948	10,331	1,364	1,460	7,793
Mid Atlantic	39,251	10,382	1,112	1,304	26,453
Southeast	29,465	9,836	2,676	1,281	15,472
Central	36,345	10,006	2,083	2,501	21,753
Midwest	35,573	9,888	1,737	850	23,198
Southwest	57,968	11,888	2,615	4,694	38,771
Western	74,565	13,676	3,996	754	58,139
C. DISTRICT DIRECTORS OFFICES AND SERVICE CENTERS	**2,942,015**	**2,426,824**	**83,730**	**42,378**	**389,083**
North Atlantic	**490,035**	**379,596**	**9,752**	**6,753**	**93,934**
Albany	14,083	11,125	646	503	1,808
Augusta	6,304	5,203	342	85	674
Boston	54,511	40,954	1,635	1,031	10,891
Brooklyn	55,413	45,548	1,243	420	8,202
Buffalo	30,401	24,948	1,321	672	4,360
Burlington	3,550	2,869	213	45	423
Hartford	27,845	22,663	921	726	3,535
Manhattan	93,062	77,496	1,377	835	13,354
Portsmouth	6,866	5,582	354	120	810
Providence	7,773	6,364	333	218	858
North Atlantic Region centralized training	469		456		13
Andover Service Center	85,581	62,244	430	1,338	21,569
Brookhaven Service Center	104,177	75,499	481	760	27,437
Mid Atlantic	**332,364**	**275,745**	**7,638**	**7,282**	**41,699**
Baltimore	50,398	42,824	1,071	1,449	5,054
Newark	62,640	54,547	1,849	1,712	4,532
Philadelphia	50,543	43,851	1,323	925	4,544
Pittsburgh	25,333	21,847	950	575	1,961
Richmond	33,317	27,579	1,569	831	3,338
Wilmington	5,500	4,770	200	191	339
Forms Distribution Center	6,717	4,711	66	156	1,784
Mid Atlantic Region centralized training	330		300		30
Philadelphia Service Center	97,486	75,616	310	1,443	20,117
Southeast	**482,585**	**385,157**	**15,811**	**7,084**	**73,833**
Atlanta	62,196	49,369	2,464	1,317	9,046
Birmingham	17,137	14,629	1,007	139	1,362
Columbia	12,894	10,615	755	240	1,284
Fort Lauderdale District	47,403	35,224	2,515	2,233	7,431
Greensboro	28,234	24,297	1,356	440	2,141
Jackson	12,084	9,827	677	249	1,331
Jacksonville	51,582	41,183	1,805	343	8,251
Little Rock	12,141	10,161	809	178	993
Nashville	34,723	27,291	1,496	427	5,509
New Orleans	28,557	23,445	1,639	575	2,898
Southeast Region centralized training	531		481		50
Atlanta Service Center	94,919	75,644	412	1,187	17,676
Memphis Service Center	80,184	63,472	395	656	15,661
Central	**277,441**	**232,381**	**8,886**	**2,561**	**33,613**
Cincinnati	37,540	32,738	1,278	293	3,231
Cleveland	39,244	33,923	1,420	314	3,587
Detroit	56,517	48,924	2,451	532	4,610
Indianapolis	34,512	28,450	1,373	367	4,322
Louisville	16,864	14,378	984	104	1,398
Parkersburg	9,498	8,139	556	57	746
Treasury Complaints Processing Center	631	508	40	20	63
Central Region centralized training	473		410		63
Cincinnati Service Center	82,162	65,321	374	874	15,593
Midwest	**323,033**	**273,106**	**10,177**	**6,439**	**33,308**
Aberdeen	4,501	3,687	358	172	284
Chicago	86,035	76,602	2,213	1,553	5,667
Des Moines	15,202	12,614	734	485	1,369
Fargo	4,620	4,029	348	116	127
Helena	5,905	5,014	449	95	347
Milwaukee	25,342	21,563	972	664	2,143
Omaha	11,008	9,360	477	295	906
St. Louis	39,600	33,839	1,668	835	3,258
St. Paul	30,224	26,256	1,213	386	2,367
Springfield	13,899	12,140	758	248	753
Forms Distribution Center	7,088	5,142	145	433	1,368
Midwest Region centralized training	421		400		21
Kansas City Service Center	78,430	62,525	387	1,092	14,476
Treasury Complaints Processing Center	478	336	55	65	22

Table 24.—Continued
(in thousands of dollars)

Southwest	**539,833**	**458,518**	**15,370**	**4,252**	**61,683**
Albuquerque	8,191	7,142	496	28	525
Austin	36,113	31,391	1,884	171	2,667
Cheyenne	4,681	3,911	453	13	304
Dallas	84,900	73,581	3,480	899	6,940
Denver	41,933	36,072	1,448	168	4,245
Houston	61,944	54,531	1,630	555	5,228
Oklahoma City	27,839	24,919	1,356	108	1,456
Phoenix	24,142	20,651	965	105	2,221
Salt Lake City	9,690	8,749	490	26	425
Wichita	16,030	14,230	813	43	944
Treasury Complaints Center	751	599	139	12	1
Southwest Region centralized training	888		714		174
Austin Service Center	90,311	72,351	425	805	16,730
Ogden Service Center	103,978	84,121	920	1,041	17,896
Austin Compliance Center	28,442	26,070	157	288	1,927
Western	**496,724**	**422,318**	**16,096**	**7,097**	**51,213**
Anchorage	11,305	9,496	989	91	729
Boise	7,172	5,935	460	271	466
Honolulu	8,912	8,033	326	115	438
Laguna Niguel	69,789	60,877	3,047	749	5,116
Los Angeles	93,724	81,278	2,406	827	9,213
Portland	19,001	15,773	811	425	1,992
Las Vegas	14,558	11,943	767	133	1,715
Sacramento	30,257	25,473	1,153	795	2,836
San Francisco	50,605	42,766	1,013	1,107	5,719
San Jose	40,018	33,807	2,433	1,002	2,776
Seattle	33,902	29,460	1,312	376	2,754
Western Region centralized training	755		651		104
Fresno Service Center	116,011	97,050	676	1,139	17,146
Treasury Complaints Processing Center	443	314	26	58	45
Forms Distribution Center	272	113	6	9	144

Note: Reimbursements are included in the above figures.

Table 25.—Personnel summary

Location and Type	Average Positions Realized 1986	Average Positions Realized 1987	Number of Employees at Close of Year 1986	Number of Employees at Close of Year 1987
Service total	**96,395**	**102,774**	**102,206**	**114,018**
Permanent	92,846	99,180	97,579	107,968
Temporary	3,549	3,594	4,627	6,050
National Office	**5,470**	**6,395**	**5,683**	**7,054**
Regional Offices[1]	**90,925**	**96,379**	**96,543**	**106,964**
Data Processing Operations	**30,254**	**31,689**	**32,879**	**36,006**
Collection	**15,571**	**16,265**	**15,874**	**17,429**
Revenue Officers	7,247	7,229	7,359	7,470
Other	8,324	9,036	8,515	9,959
Taxpayer Service	**5,326**	**6,005**	**5,892**	**7,308**
Taxpayer Service Specialists	608	737	701	864
Taxpayer Service Representatives	1,302	1,657	1,660	1,883
Other	3,416	3,611	3,531	4,561
Examination	**26,120**	**29,243**	**27,797**	**31,112**
Revenue Agents	13,619	14,944	14,507	16,109
Tax Auditors	3,292	3,105	3,409	3,138
Other	9,209	11,194	9,881	11,875
Employee Plans/Exempt Organizations	**2,099**	**2,311**	**2,260**	**2,409**
EP/EO Technicals	1,251	1,303	1,234	1,325
Other	848	1,008	1,026	1,084
Appeals	**2,228**	**2,503**	**2,346**	**2,753**
Appeals Officers	1,052	1,167	1,082	1,242
Auditors	173	193	178	207
Other	1,003	1,143	1,086	1,304
Tax Fraud	**4,122**	**4,074**	**4,270**	**4,460**
Special agents	2,800	2,715	2,752	2,823
Other	1,322	1,359	1,518	1,637
Executive Direction	**124**	**120**	**116**	**133**
Management Services	**2,046**	**1,785**	**2,550**	**2,464**
Resources Management	**4,052**	**4,586**	**4,340**	**5,310**
Centralized Services[2]	**1,119**	**0**	**443**	**0**
Counsel	**2,382**	**2,521**	**2,479**	**2,820**
Inspection	**952**	**994**	**960**	**1,068**
International[3]	**0**	**698**	**0**	**738**

Note: Reimbursements are included in the above figures.
[1]Includes National Computer Center and the Data Center.
[2]Centralized Services staffing was absorbed by its client functions.
[3]International was formed during FY 1987.

Table 26.—Chief Counsel cases received

	Tax court cases: Small tax cases	Tax court cases: Other than small cases	Total	General legal services	Refund litigation
1982	9,814	20,925	30,739	3,620	921
1983	10,036	22,574	32,610	3,672	961
1984	12,263	27,670	39,933	4,335	984
1985	14,884	34,258	49,142	4,841	1,023
1986	14,587	34,200	48,787	5,126	1,454
1987	14,243	29,256	43,496	5,743	1,065

[1]Received statistics are net numbers, i.e., actual number of cases received plus or minus transfers and adjustments to prior years' receipts.

Table 27.—Chief Counsel receipts and disposal of cases

Division	Types of cases	Pending Oct. 1, 1986	Received*	Disposed	Pending Sept. 30, 1987
Disclosure litigation	Disclosure opinions	128	197	174	151
	FOIA opinions	15	27	31	11
	Privacy Act opinions	8	24	25	7
	FOIA litigation	66	39	48	57
	Privacy Act litigation	41	6	23	24
	Section 7217 litigation	6	0	5	1
	Section 7431 litigation	29	20	20	29
	Litigation/Coordinations	11	22	22	11
	Appellate litigation	34	17	22	29
	FOIA requests	106	158	146	118
	FOIA appeals	394	800	574	620
	Privacy Act requests	2	1	2	1
	Privacy Act appeals	2	12	12	2
	Total	842	1,323	1,104	1,061
Employee plans and exempt organizations	Revenue rulings	15	58	58	15
	Letter rulings	15	48	38	25
	Technical advice	23	22	36	9
	Other advice	14	26	29	11
	Legislation	5	2	1	6
	Regulations	71	40	36	75
	Miscellaneous	20	51	35	36
	Total	163	245	231	177
General litigation	Bankruptcies	9,836	13,240	11,135	11,941
	Non-Bankruptcy insolvencies	137	97	103	131
	Decedents; incompetents	371	173	205	339
	Collection suits (U.S. Plaintiff)	1,897	3,802	3,660	2,039
	Suits against U.S.	2,021	1,782	1,664	2,139
	Foreign documents requests	1	9	6	4
	Tax return preparers	56	81	15	122
	Summons enforcement	5,765	6,904	7,106	5,563
	Disclosure, FOIA & privacy acts	109	546	492	163
	Advisory opinions	1,300	5,761	5,481	1,580
	Total, all regions **	21,493	32,395	29,867	24,021
	National Office:				
	Appeals	558	347	537	368
	Advisory	146	471	478	139
	Other centralized cases ***	44	1	24	21
	Total, National Office	748	819	1,039	528
	Total, all regions** & National Office	22,241	33,214	30,906	24,549
Interpretative	Revenue rulings	83	284	253	114
	Letter rulings	40	40	54	26
	Technical advice	27	17	32	12
	Advisory opinions	17	33	34	16
	Litigation advice	29	79	74	34
	Total	196	453	447	202
Legislation & regulations	Legislation	47	2	14	35
	Regulations	380	150	176	354
	Miscellaneous	92	59	69	82
	Total	519	211	259	471

* Received statistics are net numbers, i.e., actual number of cases received plus or minus transfers and adjustments to prior years' receipts.
** Includes the Office of International.
*** Includes actions for injunctions and/or declaratory relief.

COMMISSIONERS OF INTERNAL REVENUE

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

GEORGE S. BOUTWELL
Massachusetts
July 17, 1862/March 4, 1863

JOSEPH J. LEWIS
Pennsylvania
March 18, 1863/June 30, 1865

WILLIAM ORTON
New York
July 1, 1865/Oct. 31, 1865

EDWARD A. ROLLINS
New Hampshire
Nov. 1, 1865/March 10, 1869

COLUMBUS DELANO
Ohio
March 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/April 30, 1883

WALTER EVANS
Kentucky
May 21, 1883/March 19, 1885

JOSEPH S. MILLER
West Virginia
March 20, 1885/March 20, 1889

JOHN W. MASON
West Virginia
March 21, 1889/April 18, 1893

JOSEPH S. MILLER
West Virginia
April 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
March 1, 1899/Nov. 27, 1900

JOHN W. YERKES
Kentucky
Dec. 20, 1900/April 30, 1907

JOHN G. CAPERS
South Carolina
June 5, 1907/Aug. 31, 1909

ROYAL E. CABELL
Virginia
Sept. 1, 1909/April 27, 1913

WILLIAM H. OSBORN
North Carolina
April 28, 1913/Sept. 25, 1917

DANIEL C. ROPER
South Carolina
Sept. 26, 1917/March 31, 1920

WILLIAM M. WILLIAMS
Alabama
April 1, 1920/April 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. HELVERING
Kansas
June 6, 1933/Oct. 8, 1943

ROBERT E. HANNEGAN
Missouri
Oct. 9, 1943/Jan. 22, 1944

JOSEPH D. NUNAN, JR.
New York
March 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
April 1, 1969/June 22, 1971

JOHNNIE M. WALTERS
South Carolina
Aug. 6, 1971/April 30, 1973

DONALD C. ALEXANDER
Ohio
May 25, 1973/Feb. 26, 1977

JEROME KURTZ
Pennsylvania
May 5, 1977/Oct. 31, 1980

ROSCOE L. EGGER, JR.
Indiana
March 14, 1981/April 30, 1986

LAWRENCE B. GIBBS
Texas
Aug. 4, 1986/present

The following served as Acting Commissioner during periods when there was no Commissioner holding the office.

JOSEPH J. LEWIS of Pennsylvania
from March 5 to March 17, 1863

JOHN W. DOUGLASS 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. 18 to Dec. 19, 1900

MILLARD F. WEST of Kentucky
from April 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 Aug. 5, 1971

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, and
from Nov. 1, 1980 to March 13, 1981

JAMES I. OWENS of Alabama
from May 1 to Aug. 3, 1986

PRINCIPAL OFFICERS OF THE INTERNAL REVENUE SERVICE

as of September 30, 1987

NATIONAL OFFICE

COMMMISSIONER
Lawrence B. Gibbs

SENIOR DEPUTY COMMISSIONER
Michael J. Murphy

DEPUTY COMMISSIONER
(OPERATIONS)
Charles H. Brennan

DEPUTY COMMISSIONER
(PLANNING AND RESOURCES)
John L. Wedick, Jr.

ASSISTANT TO THE COMMISSIONER
Donald T. Rocen

ASSISTANT TO THE COMMISSIONER
Richard C. Stark

ASSISTANT TO THE COMMISSIONER
Kenton E. McDonald

SENIOR ADVISOR
James I. Owens

ASSISTANT TO SENIOR
DEPUTY COMMISSIONER
Roger L. Plate

ASSISTANT TO THE COMMISSIONER
(EQUAL EMPLOYMENT
OPPORTUNITY)
Hardi L. Jones

ASSISTANT TO THE COMMISSIONER
(PUBLIC AFFAIRS)
Ellen Murphy

ASSISTANT TO THE COMMISSIONER
(LEGISLATIVE AFFAIRS)
Bryan E. Slone

DIVISION DIRECTOR
(LEGISLATIVE AFFAIRS)
Gayle G. Morin

EXECUTIVE SECRETARY
Robert F. Hilgen (Acting)

TAXPAYER OMBUDSMAN
Jack G. Petrie

INSPECTION

ASSISTANT COMMISSIONER
John M. Rankin, Jr.

DEPUTY
ASSISTANT COMMISSIONER
Kenneth A. Thompson

DIVISION DIRECTORS:

INTERNAL AUDIT
Erwin Sobin

INTERNAL SECURITY
C. Arnold Decker

INFORMATION SYSTEMS DEVELOPMENT

ASSISTANT COMMISSIONER
Henry H. Philcox

DEPUTY
ASSISTANT COMMISSIONER
Mark D. Cox

DIRECTORS:

APPLICATIONS
David Boose

DESIGN
Peggy O'Rourke

INPUT PROCESSING
Thomas Dega

PLANNING AND
PROJECT MANAGEMENT
William Lowther

STANDARDS AND DATA
ADMINISTRATION
Renee Shaw

COMPUTER SERVICES

ASSISTANT COMMISSIONER
Daniel N. Capozzoli

DEPUTY
ASSISTANT COMMISSIONER
Walter A. Hutton, Jr.

DIRECTORS:

COMPLIANCE
PROCESSING SYSTEMS
Richard W. Marsh

HARDWARE
Ludwig G. Kuttner

PLANNING, BUDGETING
AND REVIEW STAFF
Donald E. Curtis

TAX PROCESSING SYSTEMS
Gerald A. Rabe

USER ASSISTANCE & COMPUTER
CAPACITY MANAGEMENT OFFICE
Bernard F. Miller

TAXPAYER SERVICE AND RETURNS PROCESSING

ASSISTANT COMMISSIONER
Dominic E. Pecorella

DEPUTY
ASSISTANT COMMISSIONER
John T. Ader

DIRECTORS:

PROGRAM PLANNING
AND REVIEW STAFF
Ophelia W. Burton

RETURNS PROCESSING
AND ACCOUNTING
Michael R. Allen

STATISTICS OF INCOME
Frederick J. Scheuren

TAX FORMS & PUBLICATIONS
Edmund Goldwag

TAXPAYER SERVICE
Walter M. Alt

PROJECT MANAGERS:

ELECTRONIC FILING
PROJECT OFFICE
Richard Moran

INTEGRATED MANAGEMENT
SYSTEMS PROJECT OFFICE
Gary Brandt

COLLECTION

ASSISTANT COMMISSIONER
William M. Wauben

DEPUTY
ASSISTANT COMMISSIONER
Paul M. Harrington

DIRECTORS:

EVALUATION AND RESEARCH
William Rooney

FIELD OPERATIONS
Grant A. Newman

PLANNING & MANAGEMENT
Lewis I. Baurer

PROJECT MANAGERS:

INTEGRATED COLLECTION
SYSTEM STAFF
William Meehan

LOCATION SERVICES
Jim Day

CRIMINAL INVESTIGATION

ASSISTANT COMMISSIONER
Anthony V. Langone

DEPUTY
ASSISTANT COMMISSIONER
Joseph T. Pagani

DIRECTORS:

INVESTIGATIONS
Brian M. Bruh

PLANNING & DEVELOPMENT
Glenn E. McAdams

EXAMINATION

ASSISTANT COMMISSIONER
Vacant

DEPUTY
ASSISTANT COMMISSIONER
Ralph F. Shilling

PROJECT MANAGER, AUTOMATED
EXAMINATION SYSTEMS
Robert K. Dooley

DIRECTORS:

COORDINATED EXAMINATION
Donald H. Anderson

DISCLOSURE
William D. Hamilton

EXAMINATION PLANNING
AND RESEARCH
Thomas Andretta

EXAMINATION PROGRAMS
M. Dianne Grant

EXAMINATION SUPPORT SYSTEMS
Carman L. Gannotti

EMPLOYEE PLANS AND EXEMPT ORGANIZATIONS

ASSISTANT COMMISSIONER
Robert I. Brauer

DEPUTY
ASSISTANT COMMISSIONER
Robert E. Withers

DIRECTORS:

EMPLOYEE PLANS
TECHNICAL AND ACTUARIAL
Martin I. Slate

EXEMPT ORGANIZATIONS
TECHNICAL
Edward D. Coleman

INTERNATIONAL

ASSISTANT COMMISSIONER
Percy Woodard, Jr.

DEPUTY
ASSISTANT COMMISSIONER
Donald E. Bergherm

DIRECTORS:

COMPLIANCE
William C. Roth

FOREIGN PROGRAMS
Louis W. Hobbie

SUPPORT AND MANAGEMENT
Athene Anderson

TAX TREATY AND
TECHNICAL SERVICES
Stanley Novack

TAX ADMINISTRATION
ADVISORY SERVICES
Joe D. Hook

HUMAN RESOURCES
MANAGEMENT & SUPPORT

ASSISTANT COMMISSIONER
Michael P. Dolan

DEPUTY
ASSISTANT COMMISSIONER
Orion L. Birdsall, Jr.

DIRECTORS:

CONTRACTS AND ACQUISITIONS
Edward J. Curvey

FACILITIES AND INFORMATION
MANAGEMENT SUPPORT
John T. Blank

HUMAN RESOURCES
William M. Caine

NATIONAL OFFICE
RESOURCES MANAGEMENT
Suellen P. Hamby

DIRECTOR OF PRACTICE
Leslie S. Shapiro

PLANNING, FINANCE
AND RESEARCH

ASSISTANT COMMISSIONER
Vacant

DEPUTY
ASSISTANT COMMISSIONER
Gerry G. Notte

DIRECTORS:

DETROIT DATA CENTER,
DETROIT, MICHIGAN
Jack L. Schroeder

FINANCE
Stephen E. Taylor

PLANNING
Alan A. Beck

RESEARCH
Frank M. Malanga

REGIONAL AND DISTRICT
OFFICERS

CENTRAL REGION

REGIONAL COMMISSIONER
Patrick J. Ruttle

ASSISTANT REGIONAL
COMMISSIONERS:

COLLECTION
Donovan H. Williams

CRIMINAL INVESTIGATION
Inar Morics

DATA PROCESSING
Charles F. Jones

EXAMINATION
Donald L. Houck

RESOURCES MANAGEMENT
Jon R. Swan

DISTRICT DIRECTORS:

CINCINNATI, OH
Harold M. Browning

CLEVELAND, OH
Jack Chivatero

DETROIT, MI
John O. Hummel

INDIANAPOLIS, IN
William M. Jacobs

LOUISVILLE, KY
William E. Palzkill

PARKERSBURG, WV
Ronald W. Kirby

DIRECTOR, CINCINNATI
SERVICE CENTER
Frederic P. Williams

REGIONAL INSPECTOR
Vacant

MID-ATLANTIC REGION

REGIONAL COMMISSIONER
J. Robert Starkey

ASSISTANT
REGIONAL COMMISSIONERS:

COLLECTION
Leroy C. Gay

CRIMINAL INVESTIGATION
Thomas A. Wise

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Donald N. Spagnuolo

EXAMINATION
Douglas A. Holm

RESOURCES MANAGEMENT
Joseph F. Kump

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Teddy R. Kern

NEWARK, NJ
John J. Jennings

PHILADELPHIA, PA
Charles E. Roddy

PITTSBURGH, PA
George A. O'Hanlon

RICHMOND, VA
Gerald R. Esposito

WILMINGTON, DE
Clare Shy Winter

DIRECTOR, PHILADELPHIA
SERVICE CENTER
Joseph H. Cloonan

REGIONAL INSPECTOR
Benjamin J. Redmond

MIDWEST REGION

REGIONAL COMMISSIONER
Elmer W. Kletke

ASSISTANT
REGIONAL COMMISSIONERS:

COLLECTION
Allen G. Woodhouse

CRIMINAL INVESTIGATION
Warren E. Harrison

DATA PROCESSING
James A. Grant

EXAMINATION
Leon Moore

RESOURCES MANAGEMENT
Jack E. Shank

DISTRICT DIRECTORS:

ABERDEEN, SD
David H. Reizes

CHICAGO, IL
Vacant

DES MOINES, IA
John Edwards

FARGO, ND
Woodrow D. Malone

HELENA, MT
John C. Wendorff

MILWAUKEE, WI
Lawrence M. Phillips

OMAHA, NE
Mitchell E. Premis

SPRINGFIELD, IL
Ira S. Loeb

ST. LOUIS, MO
Robert A. LeBaube

ST. PAUL, MN
C. Dudley Switzer

DIRECTOR, KANSAS CITY
SERVICE CENTER
Everett Loury

REGIONAL INSPECTOR
Joseph F. Jech

NORTH ATLANTIC REGION

REGIONAL COMMISSIONER
Cornelius J. Coleman

ASSISTANT
REGIONAL COMMISSIONERS:

COLLECTION
Eugene P. Pfeiffer

CRIMINAL INVESTIGATION
Michael Orth

DATA PROCESSING
Francine Crowley

EXAMINATION
Marshall V. Washburn

RESOURCES MANAGEMENT
John J. Dunne

DISTRICT DIRECTORS:

ALBANY, NY
Edwin A. Kelleher

AUGUSTA, ME
James E. Daly, Jr.

BOSTON, MA
John D. Johnson

BROOKLYN, NY
Vacant

BUFFALO, NY
Gary H. Matthews

BURLINGTON, VT
Joyce Weitz

HARTFORD, CT
James E. Quinn

MANHATTAN, NY
Pete J. Medina

PORTSMOUTH, NH
Donald Mitgang

PROVIDENCE, RI
Malcolm A. Liebermann

DIRECTOR, BROOKHAVEN
SERVICE CENTER
Bobby G. Hughes

DIRECTOR, ANDOVER
SERVICE CENTER
Thomas M. Quinn

REGIONAL INSPECTOR
Joseph F. Reinbold

SOUTHEAST REGION

REGIONAL COMMISSIONER
Thomas A. Cardoza

ASSISTANT
REGIONAL COMMISSIONERS:

COLLECTION
Vacant

CRIMINAL INVESTIGATION
David B. Palmer

DATA PROCESSING
Henry E. Leech, Jr.

EXAMINATION
Vacant

RESOURCES MANAGEMENT
Lee R. Monks

DISTRICT DIRECTORS:

ATLANTA, GA
Paul D. Williams

BIRMINGHAM, AL
Philip J. Sullivan

COLUMBIA, SC
Donald L. Breihan

FT. LAUDERDALE, FL
Merlin W. Heye

GREENSBORO, NC
John E. Burke

JACKSON, MS
Tully Miller

JACKSONVILLE, FL
James J. Ryan

LITTLE ROCK, AK
William F. Barlow

NASHVILLE, TN
Alvin H. Kolak

NEW ORLEANS, LA
David G. Blattner

DIRECTOR, ATLANTA
SERVICE CENTER
Sylvia H. Wren

DIRECTOR, MEMPHIS
SERVICE CENTER
Raymond P. Keenan

REGIONAL INSPECTOR
Billy G. Morrison

SOUTHWEST REGION

REGIONAL COMMISSIONER
Richard C. Voskuil

ASSISTANT
REGIONAL COMMISSIONERS:

COLLECTION
Gerald F. Swanson

CRIMINAL INVESTIGATION
Glenn E. Shepard

DATA PROCESSING
Charles J. Peoples

EXAMINATION
James R. Kopidlansky

RESOURCES MANAGEMENT
James A. Lindsey

DISTRICT DIRECTORS:

ALBUQUERQUE, NM
Francis L. Browitt

AUSTIN, TX
Gary O. Booth

CHEYENNE, WY
Conrad L. Clapper

DALLAS, TX
Glenn Cagle

DENVER, CO
Gerald L. Mihlbachler

HOUSTON, TX
Arturo A. Jacobs

OKLAHOMA CITY, OK
Kenneth J. Sawyer

PHOENIX, AZ
Prescott A. Berry

SALT LAKE CITY, UT
Carol M. Fay

WICHITA, KS
Clarence M. King, Jr.

DIRECTOR, AUSTIN
COMPLIANCE CENTER
Robert D. Ah Nee

DIRECTOR, AUSTIN
SERVICE CENTER
Larry G. Westfall

DIRECTOR, OGDEN
SERVICE CENTER
Robert E. Wenzel

REGIONAL INSPECTOR
Derle Rudd

WESTERN REGION

REGIONAL COMMISSIONER
Thomas P. Coleman

ASSISTANT
REGIONAL COMMISSIONERS:

COLLECTION
James D. Helm

CRIMINAL INVESTIGATION
Darrell G. Smith

DATA PROCESSING
Fredric F. Perdue

EXAMINATION
Richard S. Wintrode

RESOURCES MANAGEMENT
Charles W. Gilbert

DISTRICT DIRECTORS:

ANCHORAGE, AK
Calvin E. Esselstrom

BOISE, ID
Richard R. Orosco

HONOLULU, HI
Philip E. Coates

LAGUNA NIGUEL, CA
Michael J. Quinn

LOS ANGELES, CA
Frederick C. Nielsen

PORTLAND, OR
Carolyn K. Leonard

LAS VEGAS, NV
Jesse A. Cota

SACRAMENTO, CA
Raymond A. Spillman

SAN FRANCISCO, CA
Francis S. Miceli

SAN JOSE, CA
Vacant

SEATTLE, WA
Robert E. Mirsberger

DIRECTOR,
FRESNO SERVICE CENTER
Theron C. Polivka

REGIONAL INSPECTOR
Aldwyn K. Hyatt

CHIEF COUNSEL FOR THE INTERNAL REVENUE SERVICE

WALTER H. SMITH/1866
WILLIAM MCMICHAEL/1871
CHARLES CHESLEY/1871
THOMAS J. SMITH/1888
ALPHONSO HART/1890
ROBERT T. HOUGH/1893
GEORGE M. THOMAS/1897
ALBERT W. WISHARD/1901
A.B. HAYES/1903
FLETCHER MADDOX/1908
ELLIS C. JOHNSON/1913
A.A. BALLANTINE/1918
D.M. KELLEHER/1919
ROBERT N. MILLEW/1919
WAYNE JOHNSON/1920
CARL A. MAPES/1920
NELSON T. HARTSON/1923
ALEXANDER W. GREGG/1925
CLARENCE M. CHAREST/1927
E. BARRETT PRETTYMAN/1933
ROBERT H. JACKSON/1934
MORRISON SHAFORTH/1936
JOHN P. WENCHEL/1937
CHARLES OLIPHANT/1947
CHARLES W. DAVIS/1952
DANIEL A. TAYLOR/1953
JOHN POTTS BARNES/1955
NELSON P. ROSE/1957
ARCH M. CANTRALL/1958
HART H. SPIEGEL/1959
CRANE C. HAUSER/1961
SHELDON S. COHEN/1964
MITCHELL ROGOVIN/1965
LESTER R. URETZ/1966
K. MARTIN WORTHY/1969
LEE H. HENKEL, JR./1972
MEADE WHITAKER/1973
STUART E. SEIGEL/1977
N. JEROLD COHEN/1979
KENNETH W. GIDEON/1981
FRED T. GOLDBERG, JR./1984
WILLIAM F. NELSON/1986

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

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

JOHN W. BURRUS
from March 2 to Nov. 30, 1936

MASON B. LEMING
from Dec. 6, 1951 to
May 15, 1952

KENNETH W. GEMMILL
from June 11 to Nov. 8, 1953

RUDY P. HERTZOG
from Dec. 1, 1954 to
MAY 8, 1955, and from
Jan. 20 to Aug. 16, 1961,
and from Sept. 1, 1963 to
Jan. 5, 1964

HERMAN T. REILING
from Jan. 19 to March 13, 1957
and from Aug. 31 to Sept. 20, 1959

RICHARD M. HAHN
from Jan. 20 to June 25, 1969

LEE H. HENKEL, JR.
From Jan. 16 to June 11, 1972

LAWRENCE B. GIBBS
from April 17 to Oct. 19, 1973

CHARLES L. SAUNDERS, JR.
from Jan. 20 to April 15, 1977

LEON G. WIGRIZER
from April 16 to June 23, 1977

LESTER STEIN
from June 1 to Nov. 16, 1979

JEROME D. SEBASTIAN
from Jan. 21 to Feb. 2, 1981
and from March 30 to Aug. 14, 1981

EMORY L. LANGDON
from Feb. 3 to March 29, 1981

JOEL GERBER
from May 28, 1983 to
March 17, 1984

V. JEAN OWENS
from March 14 to July 27, 1986

PRINCIPAL OFFICERS OF THE IRS OFFICE OF CHIEF COUNSEL

AS OF SEPT. 30, 1987

NATIONAL OFFICE

CHIEF COUNSEL
William F. Nelson

SPECIAL ASSISTANTS TO THE CHIEF COUNSEL
James D. Bridgeman
Martin B. Kaye

DEPUTY CHIEF COUNSEL (MANAGEMENT & OPERATIONS)
V. Jean Owens

ASSISTANT TO THE DCC (MANAGEMENT & OPERATIONS)
Ronald Pinsky

DEPUTY CHIEF COUNSEL (POLICY & LEGAL PROGRAMS)
Peter K. Scott

SPECIAL ASSISTANTS TO DCC (POLICY & LEGAL PROGRAMS)
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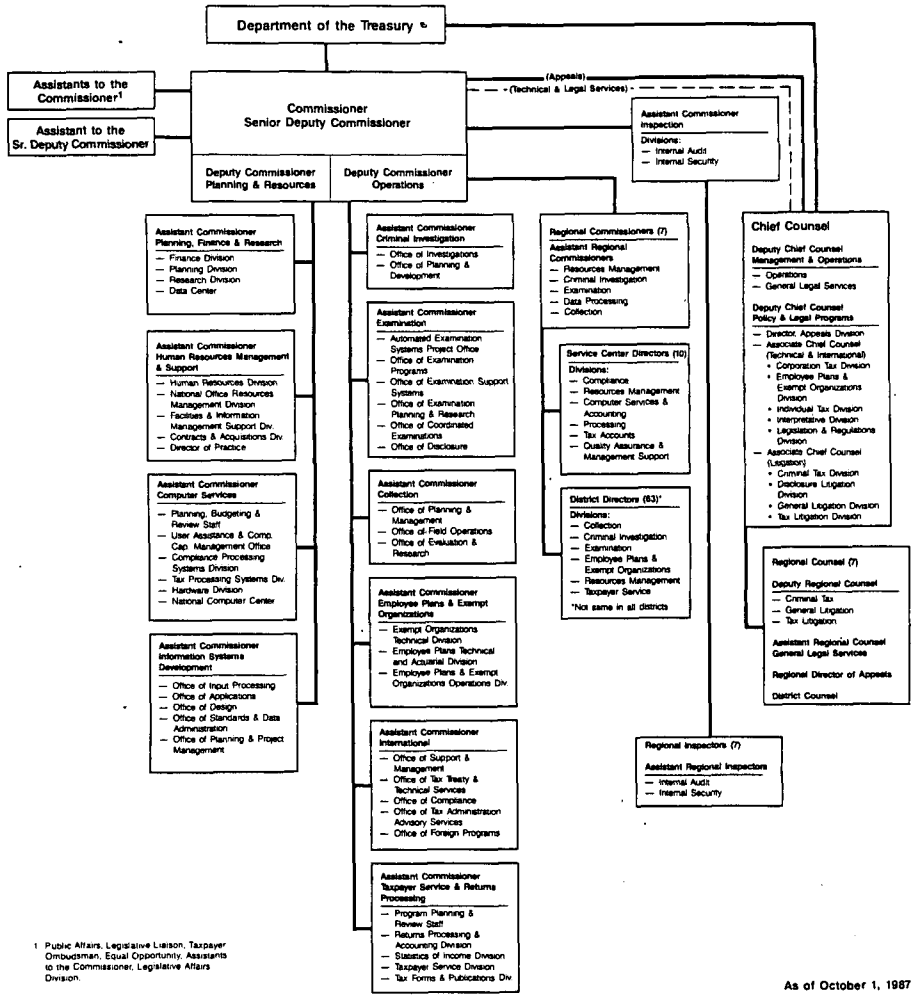

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As of October 1, 1987

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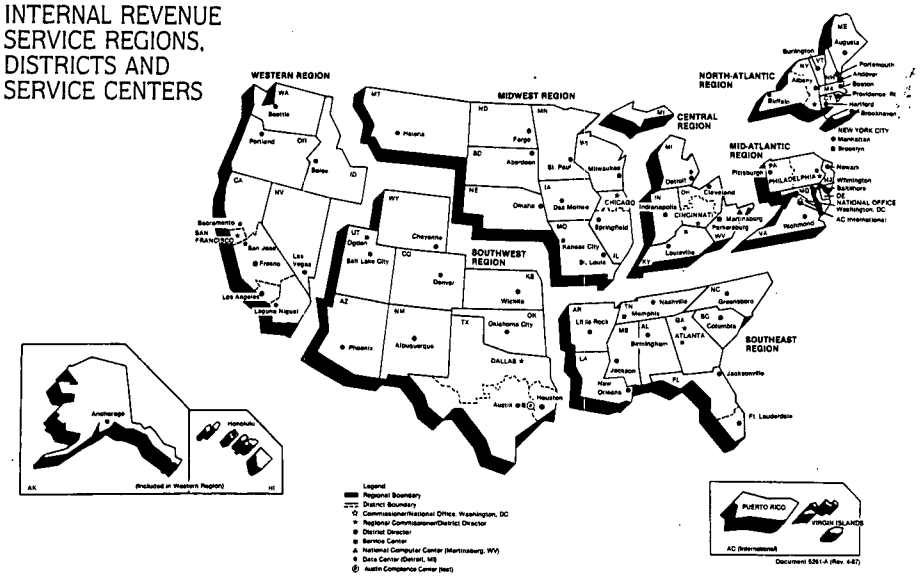

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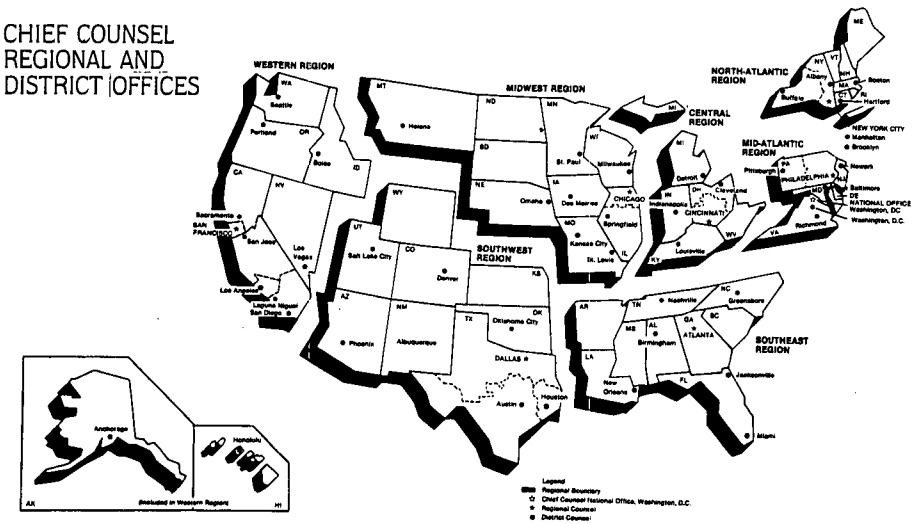

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