Individual Income Tax Returns, Preliminary Data, 1988

By Michael Strudler and Emily Ring*

For 1988, the first year for which most provisions of the Tax Reform Act of 1986 (TRA) were implemented, adjusted gross income reported on the 110 million individual income tax returns was almost $3.1 trillion, an increase of 11.7 percent from 1987. Total income tax rose to $416.1 billion, up 12.7 percent from 1987. The continuation of the phasing out of "passive losses" that began with 1987 was reflected in a $38.3 billion increase in partnership and S Corporation net income. Income items such as pensions and annuities, dividends, and taxable social security benefits all increased significantly.

ADJUSTED GROSS INCOME, TAXABLE INCOME, AND TOTAL INCOME TAX

For 1988, adjusted gross income (AGI) rose to over $3 trillion for the first time. As seen in Figure A, AGI (less deficit) increased by 11.7 percent over 1987, while taxable income increased by 12.5 percent from $1.9 trillion to $2.1 trillion.

Total income tax rose to $416.1 billion for 1988, a 12.7 percent increase over 1987. This was mostly a result of the increased income and decreased losses included in AGI (both of these are described in greater detail below).

As can be seen in Figure B, for all taxpayers taken together, taxes as a percentage of AGI increased slightly from 13.3 percent to 13.4 percent of AGI. However, the average tax rate declined for each income class. The seeming contradiction of an increase in the average tax rate for the population as a whole, while the rates for each class declined was probably the result of the large increase in AGI from 1987 to 1988. It appears that much of this increase occurred in the higher income classes, thus leading to a greater proportion of income being taxed at the highest rate in 1988 compared with 1987.

For individuals reporting AGI under $50,000, there was little change from 1987 in tax as a percentage of AGI, except for a noticeable decline from 6.8 percent to 6.5 percent for those individuals earning between $10,000 and $20,000, possibly as a result of the increase in standard deductions. However, in all income classes above $50,000, tax as a percentage of AGI fell, in some cases quite considerably. The probable cause of this was the lowering of the marginal tax rate for upper income levels (see Definitions and Changes in the Law).

The largest decrease in total income tax as a percentage of AGI occurred for those individuals

Figure A.—Adjusted Gross Income, Taxable Income, Alternative Minimum Tax, and Total Income Tax, Tax Years 1987 and 1988

[Number of returns are in thousands—money amounts are in millions of dollars]

	1987		1988		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income (less deficit)	106,996	$2,773,824	109,809	$3,097,302	11.7%
Taxable income	90,079	1,850,597	90,097	2,081,050	12.5
Total income tax	86,724	369,203	86,985	416,108	12.7
Alternative minimum tax	140	1,675	88	711	-57.6

*Individual Returns Analysis Section. Prepared under the direction of Jeff Hartzok, Chief. Special assistance was provided by Mario Fernandez and June Walters in producing the tables.

Figure B.—Number of Returns, Adjusted Gross Income (AGI), and Total Income Tax by Size of Adjusted Gross Income, Tax Years 1987 and 1988

[Number of returns are in thousands—money amounts in millions of dollars]

Tax year, income and tax	Total	Size of adjusted gross income									
		Under $1	$1 under $10,000	$10,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 under $500,000	$500,000 under $1,000,000	$1,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Tax Year 1988:											
Number of returns	109,809	981	32,536	25,392	16,740	20,194	11,432	1,795	555	119	65
AGI	$3,097,302	$-32,203	$157,798	$374,444	$412,599	$783,091	$747,082	$237,769	$163,444	$80,743	$172,535
Total income tax	$416,108	$62	$4,493	$24,421	$38,519	$86,777	$110,167	$48,405	$39,362	$20,032	$43,871
Tax as a percentage of AGI	13.4%	([1])	2.8%	6.5%	9.3%	11.1%	14.7%	20.4%	24.1%	24.8%	25.4%
Tax Year 1987:											
Number of returns	106,996	842	32,672	25,236	16,551	19,468	10,175	1,514	430	75	35
AGI	$2,773,824	$-39,904	$160,355	$370,661	$408,648	$752,910	$659,477	$200,973	$124,074	$50,898	$85,733
Total income tax	$369,203	$157	$4,629	$25,074	$38,410	$84,156	$101,150	$43,415	$32,978	$14,745	$24,490
Tax as a percentage of AGI	13.3%	([1])	2.9%	6.8%	9.4%	11.2%	15.3%	21.6%	26.6%	29.0%	28.6%

[1] Less than 0.05 percent

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

earning between $500,000 and $1 million. Taxes in this class went from 29.0 percent of AGI to 24.8 percent of AGI. For those individuals reporting $1 million or more in AGI, taxes as a percentage of AGI decreased from 28.6 percent to 25.4 percent. For 1987, taxes of individuals reporting $1 million or more in AGI were a smaller percentage of income than they were for individuals in the $500,000 to $1 million group. This was reversed for 1988, and individuals in the $1 million and over AGI class had the highest average tax rate.

As can be seen in Figure A, the alternative minimum tax fell by 57.6 percent for 1988, from $1.7 billion to $0.7 billion. This followed a decrease from $6.7 billion for 1986. The alternative minimum tax was put into place in order to ensure that individuals with "tax preferences" (such as capital gains excluded from taxable income) still had to pay taxes. One of the features of the TRA was the major reduction in the number of such preferences.

SELECTED SOURCES OF INCOME

Figure C displays total positive income (i.e., income without regard to losses) and its components, for the tax years 1987 and 1988 [1]. All sources of positive income increased except for unemployment compensation, which declined by 5.3 percent from the amount reported for 1987. The largest percentage gains from 1987 to 1988 were for "other income" (34.2 percent), partnership and S Corporation net income (32.3 percent), the combined total of taxable distributions for pensions, annuities, and Individual Retirement Arrangements (IRAs) (21.2 percent), dividends (16.7 percent), and taxable social security benefits (15.8 percent). For 1988, total positive income included in AGI increased by 10.1 percent from 1987 levels.

As can be seen in Figure D, salaries and wages constituted 71.9 percent of total positive income. For 1988, salaries and wages increased by 8.5 percent from 1987 to over $2.3 trillion. The average salary increased by 5.6 percent to $25,114 per return (for those returns reporting salaries and wages).

Figure D also shows that the largest nonwage sources of income were interest (19.9 percent of nonwage income, 5.6 percent of total positive income); net capital gains (17.5 percent of nonwage income, 4.9 percent of total positive income); and pensions, annuities and IRA distributions (16.5 percent of nonwage income, 4.6 percent of total positive income).

Interest income, the largest nonwage source of income, grew by 8.1 percent from 1987, while average interest grew by 5.1 percent to $2,623 per return (with interest). The next highest nonwage source of income was from the sale of capital assets. For the first time since 1921, long-term capital gains were treated the same as "ordinary" income for individual income tax purposes. Although the 60 percent exclusion of long term capital gains was repealed in 1987, the maximum tax rate on these gains for 1987 was limited to 28 percent compared to 38.5 percent for all other sources of income. For 1988, the maximum tax rate on capital gains was the same as for all other sources of income [2]. Despite this change in the law, capital gains (less losses) increased by 10.8 percent from $137.4 billion in 1987 to $152.3 billion in 1988. As can be seen in Figure E, net capital gains before exclusion (which includes losses before limitation) were considerably less than the record that was reported for 1986 and were also $28.2 billion less than the total for 1985 [3]. However, the 1988 net gain (less loss) represents the largest amount of capital gains ever included in AGI.

Figure C.— Comparison of Selected Sources of Positive Income, Tax Years 1987 and 1988

[Number of returns are in thousands—money amounts are in millions of dollars]

Item	1987		1988		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total positive income [1]	**n.a.**	**$2,965,666**	**n.a.**	**$3,264,962**	**10.1%**
Salaries and wages	90,984	2,163,906	93,464	2,347,226	8.5
Taxable interest	67,934	168,966	69,594	182,574	8.1
Dividends	22,324	66,791	22,862	77,934	16.7
Business or profession, net income	9,884	123,783	10,473	140,336	13.4
Net capital gains	11,714	144,176	9,631	160,247	11.1
Net gain, sales of property other than capital assets	983	5,274	963	6,039	14.5
Social security benefits in AGI	3,637	12,524	4,048	14,500	15.8
Rents and royalties, net income	4,575	24,657	4,770	27,264	10.6
Partnerships and S Corporations, net income	2,559	72,370	2,808	95,718	32.3
Farm net income	1,054	10,714	934	11,042	3.1
Unemployment compensation	7,371	12,287	6,985	11,639	-5.3
Pensions, annuities, and IRA distributions in AGI [2]	16,498	124,755	n.a. [2]	151,194	21.2
Other income (net)	6,198	15,828	6,092	21,239	34.2

[1] Sources of income shown below represent an incomplete list and do not add to total positive income. "Other income" represents only data reported on the Form 1040 "other income" line.

[2] For 1987, pensions, annuities, and taxable IRA distributions were all reported on one line on Form 1040. For 1988, pensions and annuities were reported on one line and taxable IRA distributions on another line. The number of returns with a combination of pensions and annuities and IRA distributions was not tabulated.

n.a - not available.

The fourth largest source of income was the combination of pensions, annuities, and IRA distributions, which increased by 21.2 percent from $125 billion for 1987 to $151 billion for 1988. While this amount has been increasing steadily over the years (for example, it increased by 13.2 percent for 1986 and 15.8 percent for 1987), the large increase for 1988 appears to have been partially attributable to the elimination of the 3-year recovery rule for pensions and annuities under the TRA [4]. While this rule was eliminated in July 1986 and no further changes were made in the law for 1988, the number of retirees who could be included under the old rules is declining with each year [5].

LOSSES

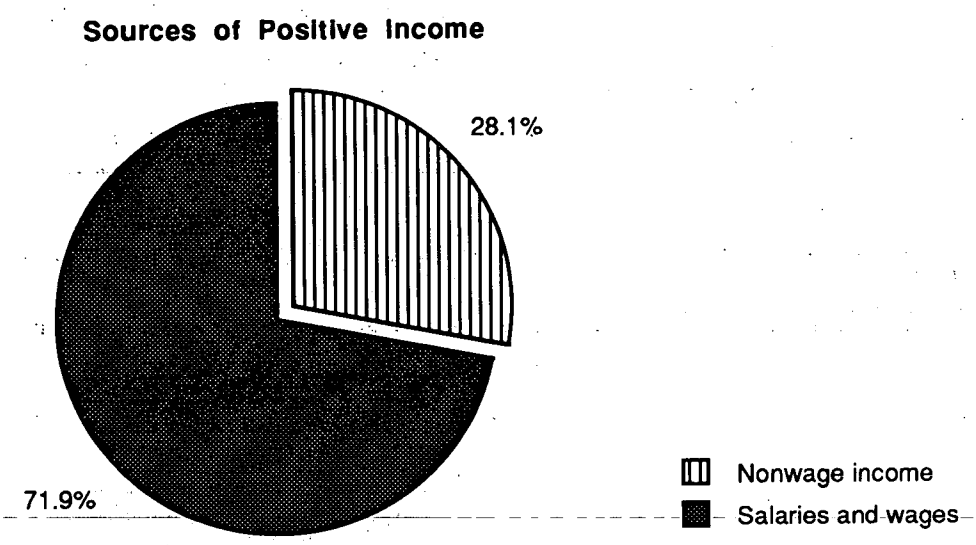
As can be seen in Figure F, total losses included in 1988 AGI decreased by $23.0 billion, or 14.8 percent, from 1987. Most of this reduction is due to the decrease in partnership and S Corporation net losses. The decline in partnership and S Corporation net losses was largely attributable to a phasing in of that portion of the TRA concerning passive activity losses. Passive activity losses are those losses that are generated by any trade, business, or rental activity in which the taxpayer did not materially participate (i.e., was not involved on a regular basis in that operation's activities). The 1986 Act imposed limitations on the extent to which these losses could be recognized for income tax purposes.

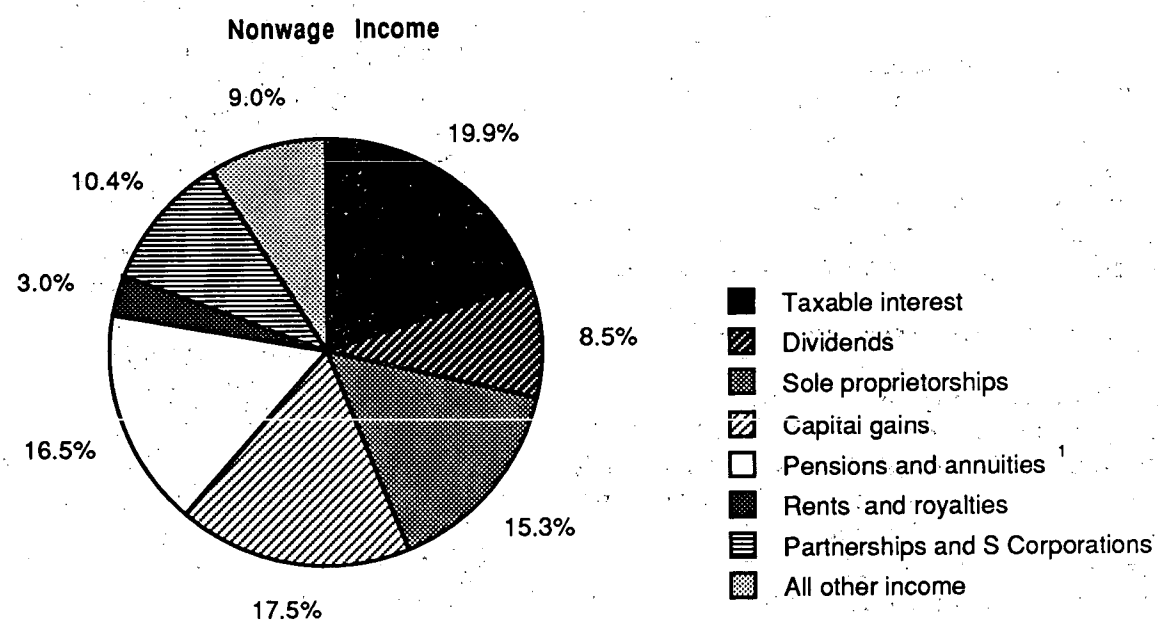
Previous to the TRA, the concept of passive losses did not exist, and such losses were completely recognized for income tax purposes. With these losses included, partnership and S corporation net income (less losses) was $5.9 billion for 1986. Under the TRA, some of the losses for passive activities entered into before October 23, 1986 were allowed to offset "nonpassive income". For Tax Year 1987, the first year for which any limitations were imposed, 65 percent of such passive losses could be used to offset nonpassive income, and partnership and S Corporation net income (less losses) rose to $24.3 billion. For Tax Year 1988, only 40 percent of such losses were allowed to offset nonpassive income. As seen in Figure F, net losses decreased by 31.1 percent from 1987 to 1988, so that net income (less losses) increased by $38.3 billion, from $24.3 billion to $62.6 billion (see Figure G).

Another item affected by the Tax Reform Act of 1986 was net income from rental real estate. Under the TRA, all losses relating to such activities were considered to be passive. They were treated like any other passive loss, except that up to $25,000 could be deducted to offset nonpassive income, such as wages or dividends. For taxpayers whose AGI exceeded $100,000, the $25,000 exception was reduced by 50 percent of the amount by which AGI exceeded $100,000. This effectively eliminated the $25,000 exception altogether for taxpayers with an AGI over $150,000 [6].

For 1988, nondeductible rental losses rose by 35.7 percent from $2.8 to $3.8 billion. This contributed to rent and royalty net losses decreasing by 12.4 percent from 1987 to 1988, as seen in Figure F. Overall, rent and royalty net income went from -$7.3 billion for 1987 to -$0.7 billion for 1988 (see Figure G).

Figure D
Sources of Positive and Nonwage Income, Tax Year 1988





[1] Includes Individual Retirement Arrangement distributions.

Figure E.—Net Capital Gains (Less Losses) Before and After Exclusion and Limitation of Losses, Tax Years 1980–1988

[Number of returns are in thousands—money amounts are in millions of dollars]

Tax year	Number of returns	Net capital gains before exclusion [1]	Percentage increase in amount	Net capital gains exclusion [2]	Percentage increase in amount
	(1)	(2)	(3)	(4)	(5)
1980	8,988	$56,167	2.3%	$29,660	4.3%
1981	9,557	58,682	4.5	30,819	3.9
1982	9,734	65,022	10.8	34,404	11.6
1983	10,918	97,097	44.3	49,408	43.6
1984	12,448	111,387	14.7	54,519	10.3
1985	12,579	140,907	26.5	68,278	25.2
1986	15,560	295,871	110.0	132,842	93.2
1987	15,468	108,467	-63.4	137,402	3.4
1988	14,206	112,691	3.9	152,295	10.8

[1] Includes net losses before limitation.
[2] This amount was after the limitations on losses and was the amount included in AGI.

Figure F.—Number of Returns and Net Losses By Type Included in Adjusted Gross Income Reported for Selected Sources, Tax Years 1987 and 1988

[Number of returns are in thousands—money amounts are in millions of dollars]

Item	1987		1988		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total net losses	n.a.	$155,333	n.a.	$132,299	-14.8%
Partnerships and S corporations, net loss	3,016	48,056	2,916	33,118	-31.1
Rents and royalties, net loss	5,317	31,980	5,139	28,016	-12.4
Estates and trusts, net loss	111	725	65	486	-33.0
Business or profession, net loss	3,118	18,322	3,075	17,904	-2.3
Farm net loss	1,367	12,038	1,477	14,044	16.7
Net capital loss [1]	3,754	6,774	4,576	7,952	17.4
Sales of property other than capital assets	794	4,624	790	3,842	-16.9
Other loss (net)	524	32,814	457	26,937	-17.9

[1] Includes only the portion of capital losses deducted in calculating AGI.
n.a. - not available.
NOTE: Detail may not add to total because of rounding.

Most nondeductible losses were found in partnerships, S Corporations, and rental property. Estates and trusts and sole proprietorships, other areas with passive loss activity, also showed decreases in net losses for 1988. However, farms, despite the presence of some passive loss activity, actually had an increase in net losses of 16.7 percent for 1988.

STATUTORY ADJUSTMENTS

Statutory adjustments declined by 7.3 percent, from $30.1 billion for 1987 to $27.9 billion for 1988. As can be seen in Figure H, this change was primarily attributable to contributions to Individual Retirement Arrangements (IRAs), which decreased by 15.1 percent, from $14.1 billion for 1987 to $11.9 billion for 1988. The decrease continues a trend that started after it was made known in 1986 that, under the TRA, IRAs would be limited to those individuals not benefiting from pension plans or those with moderate or lower levels of adjusted gross income [7]. This change in the law dramatically reduced adjustments taken for IRAs from the record level of $38.2 billion for 1985 to its 1988 level (under $12 billion).

ITEMIZED DEDUCTIONS

Standard deductions were increased significantly for 1988 (see Definitions and Changes in the Law), resulting in fewer taxpayers itemizing deductions and lower total itemized deductions. The total number of itemizers declined 10.8 percent from 35.6 million for 1987 to 31.8 million for 1988. Total itemized deductions, shown in Figure I, fell less than 1 percent from $392.0 billion for 1987 to $388.6 billion for 1988. This followed a larger (13.1 percent) decrease for 1987, the first year under the TRA. Prior to 1987, itemized deductions had been increasing steadily each year.

The largest decrease in dollar amounts among itemized deductions was the $4.8 billion decrease in total interest. This happened even though home mortgage interest, the largest component of this deduction, increased by 7.5 percent. However, the

Figure G.— Comparison of Selected Sources of Adjusted Gross Income (Less Deficit), Tax Years 1987 and 1988

[Number of returns are in thousands—money amounts are in millions of dollars]

Item	1987		1988		Increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income (less deficit) [1]	**106,996**	**$2,773,824**	**109,809**	**$3,097,302**	**$323,478**
Salaries and wages	90,984	2,163,906	93,464	2,347,226	183,320
Taxable interest	67,934	168,966	69,594	182,574	13,608
Dividends	22,324	66,791	22,862	77,934	11,143
Business or profession, net income (less losses)	13,002	105,461	13,548	122,432	16,971
Net capital gains (less losses)	15,468	137,402	14,207	152,295	14,893
Net gains (less losses), sales of property other than capital assets	1,777	650	1,753	2,197	1,547
Social security benefits in AGI	3,637	12,524	4,048	14,500	1,976
Rents and royalties, net income (less losses)	9,892	-7,323	9,909	-752	-6,571
Partnerships and S Corporations, net income (less losses)	5,575	24,314	5,724	62,600	38,286
Estates and trusts net income (less losses)	796	4,324	565	3,683	-641
Farm net income (less losses)	2,421	-1,324	2,411	-3,002	-1,678
Unemployment compensation	7,371	12,287	6,985	11,639	-648
Pensions, annuities, and IRA distributions in AGI [2]	16,498	124,755	n.a. [2]	151,194	26,439
Other net income (less losses)	6,722	-16,986	6,549	-5,698	-11,288

[1] Sources of adjusted gross income shown below represent an incomplete list and do not add to total adjusted gross income. "Other income" represents only data reported on the Form 1040 "other income" line.

[2] For 1987, pensions, annuities, and taxable IRA distributions were all reported on one line on Form 1040. For 1988, pensions and annuities were reported on one line and taxable IRA distributions on another line. The number of returns with a combination of pensions and annuities and IRA distributions was not tabulated.

n.a - not available.

Figure H.—Selected Statutory Adjustments, Tax Years 1987 and 1988

[Number of returns are in thousands—money amounts are in millions of dollars]

Type of adjustment	1987		1988		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total [1]	**11,620**	**$30,116**	**10,713**	**$27,924**	**-7.3%**
Reimbursed employee business expense	1,419	4,066	1,373	4,241	4.3
Payments to an IRA	7,319	14,066	6,391	11,946	-15.1
Payments to a Keogh plan	759	6,183	796	6,543	5.8
Alimony paid	597	4,008	569	3,948	-1.5

[1] Includes adjustments not shown separately.

amount of personal interest deducted (such as interest on credit cards and car loans) declined by $13.3 billion from 1987, largely because the phase out provision for this deduction permitted only 40 percent to be deducted for 1988 compared to 65 percent for 1987. Other deductions that decreased for 1988 included net casualty or theft losses (-10.8 percent), moving expenses (-2.8 percent), and miscellaneous expenses, both those that were in excess of a 2 percent AGI floor (-2.8 percent) and those that were allowed in full (-19.6 percent).

Deductions that increased included charitable contributions (1.8 percent), medical and dental expenses (3.9 percent), and taxes paid (0.6 percent). Contributions deductions rose to $50.5 billion from $49.6 billion, despite the 9.8 percent decline in the number of returns claiming this deduction. The increase in the deduction followed a 7.8 percent decline for 1987. The average contributions deduction (per return with charitable contributions) increased 12.9 percent from $1,540 for 1987 to $1,739 for 1988. As with medical and dental expenses and taxes paid, in each case, the number of returns declined but the dollar amount of these deductions increased.

TAX CREDITS

Total tax credits (shown in Figure J), rose by 7.3 percent for 1988, from $6.3 billion to $6.8 billion. The largest increase occurred in the earned income credit used to offset income tax before credits, which rose 71.8 percent, from $0.6 billion to $1.1 billion. This change was largely the result of an increase in the ceiling of over $3,000 in the amount that an individual could earn and still qualify for this credit (see the Definitions and Changes in the Law section for details).

The $1.1 billion of the earned income credit used to offset income tax before credits constituted just one part of the total earned income credit of $5.9 billion. This was an increase of $2.0 billion from 1987

Figure I.—Selected Itemized Deductions, Tax Years 1987 and 1988

[Number of returns are in thousands—money amounts are in millions of dollars]

Itemized deduction	1987		1988		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total	**35,628**	**$392,020**	**31,790**	**$388,565**	**-0.9%**
Medical and dental expenses	5,356	17,152	4,743	17,829	3.9
Taxes paid	34,866	119,388	31,241	120,137	0.6
Interest paid [1]	33,126	179,942	29,511	175,148	-2.7
Home mortgage	27,972	136,840	25,917	147,055	7.5
Personal interest	29,418	29,183	25,730	15,908	-45.5
Contributions	32,230	49,624	29,059	50,520	1.8
Casualty or theft losses	220	1,386	133	1,236	-10.8
Moving expenses	961	3,704	902	3,601	-2.8
Miscellaneous expenses after limitation	8,132	18,903	7,362	18,549	-1.9
Other miscellaneous expenses	1,244	1,921	2,132	1,545	-19.6

[1] Also includes investment interest and deductible "points" not shown separately.
NOTE: Detail may not add to total because of rounding.

Figure J.—Selected Tax Credits, Tax Years 1987 and 1988

[Number of returns are in thousands—money amounts are in millions of dollars]

Tax credit	1987		1988		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total credits [1]	**12,901**	**$6,329**	**14,042**	**$6,789**	**7.3%**
Child care credit	8,520	3,438	8,992	3,803	10.6
Earned income credit [2]	3,708	642	4,786	1,103	71.8
Credit for the elderly or disabled	354	67	350	67	0.0
Foreign tax credit	560	1,099	556	969	-11.8
General business credit	514	1,019	341	623	-38.9
Credit for prior year minimum tax	N/A	N/A	23	172	N/A

[1] Includes credits not shown separately.
[2] Represents the portion of the earned income credit that was used to offset income tax before credits. Additional earned income credit amounts were used to offset other taxes and some amounts were paid directly to the taxpayer. The total earned income credit for 1987 was $3.9 billion (claimed on 8.7 million returns), and for 1988 was $5.9 billion (claimed on 11.2 million returns).
N/A — Not applicable.

levels. The largest portion of the earned income credit was refunded to individuals who either had no income tax or whose income tax (and other taxes, such as self-employment tax) was already offset by their earned income credit. This amount increased from $2.9 billion for 1987 to $4.3 billion for 1988. The number of returns on which the total earned income credit was claimed rose by 27.9 percent, increasing from 8.7 million for 1987 to 11.2 million for 1988.

The child care credit also showed considerable growth, increasing by 10.6 percent from $3.4 billion for 1987 to $3.8 billion for 1988. This contrasts with the small increase (1.2 percent) reported for 1987. However, the increase for 1988 was more in line with increases for other recent years.

A third reason for the growth in total tax credits was that a new tax credit was introduced with Tax Year 1988, the credit for prior year minimum tax (see Definitions and Changes in the Law). For 1988, 23,000 individuals who had reported an alternative minimum tax for 1987 took credits against their 1988 taxes valued at $172 million.

The general business credit fell for the third straight year, from $1.0 billion for 1987 to $0.6 billion for 1988. This decrease continued a trend brought about by the phasing out in 1986 of the major component of the general business credit, the investment credit [8]. The foreign tax credit also decreased by a sizable amount (11.8 percent) from 1987 levels.

SUMMARY

When the Tax Reform Act of 1986 was enacted, the tax code was changed so dramatically that its effect on taxpayer behavior could not be fully anticipated. The preliminary data based on 1988 individual tax returns help answer some of the questions. Positive income increased by 10.1 percent. Losses included in AGI decreased by 14.9 percent, so it appears that the TRA effectively reduced "sheltered" passive losses. The number of individuals

who itemized their returns decreased by 10.8 percent, and, thus, the tax return was simplified for that segment of the population. Income tax as a percentage of AGI decreased or remained the same as 1987 for every level of income. However, for all taxpayers as a whole, income taxes increased slightly from 13.3 percent to 13.4 percent of AGI. Average taxes increased in 1988 as income increased for all income classes.

DEFINITIONS AND CHANGES IN THE LAW

In general, the definition of the terms used are the same as those shown in the complete report, *Statistics of Income--1986, Individual Income Tax Returns.*

The following is a partial list of 1988 tax law and Internal Revenue Service administrative changes that are reflected in the preliminary data in this article. Some of the changes for 1988 were a continuation of the phasing out of some of the deductions or losses allowed prior to the TRA. The major ones, for example, allowable passive losses and the personal interest deduction have been cited in the text above.

- For most taxpayers, the basic standard deduction was increased for 1988 over 1987. The standard deduction rose from $2,540 to $3,000 for single taxpayers; and from $3,760 to $5,000 for those filing joint returns. In addition, the standard deduction for the other filing categories rose as follows: married filing separately, from $1,880 to $2,500; head of household, from $2,540 to $4,400; and qualifying widow(er), from $3,760 to $5,000. These increased benefits reduced the need for some taxpayers to itemize their deductions [9].

- For 1988, the tax rate schedules contained only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels ($43,150 if single, $35,950 if married filing separately, $61,650 if head of household, and $71,900 if married filing jointly or a qualifying widow(er)), was subject to an additional 5 percent tax. The purpose of this was to phase out the benefit of the 15 percent tax rate and the benefit of the deduction for personal exemptions for taxpayers and dependents. The benefits of the 15 percent tax rate bracket were increased benefits reduced the need for some taxpayers to itemize their deductions [9].

- For 1988, the tax rate schedules contained only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels ($43,150 if single, $35,950 if married filing separately, $61,650 if head of household, and $71,900 if married filing jointly or a qualifying widow(er)), was subject to an additional 5 percent tax. The purpose of this was to phase out the benefit of the 15 percent tax rate and the benefit of the deduction for personal exemptions for taxpayers and dependents. The benefits of the 15 percent tax rate bracket were phased out first. They were completely phased out for an individual at varying levels of taxable income according to filing status: $89,560 for single taxpayers; $113,300 for those who were married filing separately; $123,790 for heads of households; and $149,250 for those who were married filing jointly and qualifying widow(er)s. After the benefits of personal exemptions were also phased out, the individual then paid a 28 percent tax on each additional dollar of taxable income. Despite some taxpayers being subject to a 33 percent marginal rate on some portion of their income, the individuals with the highest incomes reported the highest average tax rates (as can be seen in Figure B).

- If a taxpayer had "earned income" less than $18,576 and had a child living with him or her for more than half the year, and met all the other criteria for the earned income credit, that filer was entitled to a credit of up to $874 for 1988. For 1987, the income ceiling for qualifying for the earned income credit was $15,432, and the maximum allowed credit was $851.

- A minimum tax credit could be taken for 1988 by filers who paid alternative minimum taxes for 1987. The credit was that part of the 1987 alternative minimum tax that was based on adjustments or preference items that deferred tax rather than caused permanent avoidance of tax. If all of the minimum tax credit could not be used for 1988, the excess could then be carried forward to later years.

DATA SOURCES AND LIMITATIONS

These preliminary statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ) filed in 1989. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Profes-

sion; the combined Schedule F, Farm Income and Expenses; the larger of "total income" or "total loss," and the size of business plus farm receipts. These returns were selected at rates ranging from 0.02 percent to 100 percent. There were 94,290 returns in the 1988 preliminary sample estimating a total population of 110,088,181. The corresponding sample size and population for the preliminary 1987 data were 108,183 and 107,106,845, respectively. Sample size and population for the final 1987 data referenced in this article were 125,887 and 107,106,845, respectively.

Because the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CV's) are used to measure that magnitude.

Approximate coefficients of variation (CV's) for frequency estimates are presented in Figure K. These approximate CV's shown are intended only as a general indication of the reliability of the data. For a number other than those shown, the corresponding CV's can be estimated by interpolation. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the Appendix.

Figure K.—Estimated Number of Returns for Selected Coefficients of Variation, Tax Year 1988

Number of returns	Approximate coefficient of variation
28,847,000	0.01
7,211,800	0.02
1,153,900	0.05
288,500	0.10
72,100	0.20
32,100	0.30
23,500	0.35
11,500	0.50

While these preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes between January and late September 1987. In general, those returns processed after September (which are sampled for use in the revised estimates for the year) tend to have somewhat different characteristics from those filed earlier. Compared to other returns, the characteristics of these later returns include higher income, a larger proportion of investment income (such as from capital gains), a higher average tax liability, and a larger proportion of such other items as the alternative minimum tax.

Figure L provides a comparison of 1987 preliminary and final data. Figure L shows, for example, that certain items, such as AGI and salaries and wages, which are reported on most returns, changed little between preliminary and final data. This contrasts with other items, such as the alternative minimum tax and net gain from sales of capital assets, which tend to be understated in all preliminary estimates.

NOTES AND REFERENCES

[1] For the purposes of this article, total positive income was a compilation of all line items on the Form 1040, if the line items were positive. The only exception to this was Schedule E (Supplemental Income) net income. Instead of using this total, it was separated into the following components: rental and royalty net income; partnership and S Corporation net income; and estate and trust net income. If any of these component totals were positive on a return, the income on that line was included in total positive income.

[2] For 1988, the highest tax bracket was 28 percent. However, due to the phasing out of the benefits of the 15 percent tax rate bracket and

Figure L.—Comparison of Preliminary and Final Data, Tax Year 1987

[Money amounts are in millions of dollars]

Item	1987 preliminary data	1987 final data	Change from preliminary to final data	Percentage increase, preliminary to final data
	(1)	(2)	(3)	(4)
Adjusted gross income (less deficit)	$2,788,011	$2,773,824	$-14,187	-0.51%
Salaries and wages	2,169,144	2,163,906	-5,239	-0.24
Sales of capital assets net gain less loss (after exclusion)	133,487	137,402	3,916	2.93
Total itemized deductions	383,917	392,090	8,103	2.13
Interest paid deduction	174,356	179,942	5,586	3.20
Total tax credits	6,108	6,329	221	3.62
Total income tax	371,258	369,203	-2,055	-0.55
Alternative minimum tax	1,234	1,675	441	35.74

personal exemptions, certain higher income taxpayers were subject to a "marginal" tax rate of 33 percent.

[3] For comparison purposes, 1985 net capital gains would be more comparable than 1986. That is because the 1986 amount was greatly affected by taxpayers who sold assets that they might not otherwise have sold in order to take advantage of the 60 percent capital gains exclusion before it was rescinded for 1987 by the TRA.

[4] Although this category includes IRA distributions, pensions and annuities comprise the bulk (93 percent) of the $151 billion total.

[5] As a result of tax reform, all retirees whose annuity payments started after July 1, 1986, were required to prorate the exclusion from AGI of their pension plan contributions over their lifetimes. Prior to the TRA, the 3-year recovery rule allowed retirees' annuities to be tax-free until the amount of their contribution was recovered, provided they could recover the entire contribution within 3 years. With each passing year, fewer taxpayers will be included under this "grandfather clause."

[6] To determine whether real estate rental losses could be deducted from income, a modified version of AGI was calculated. This was done by taking AGI, excluding all net gains and losses from passive activities, deducting taxable social security and railroad retirement benefits, and adding back any deductions taken for contributions to qualified retirement plans.

[7] If the taxpayer (or one of the taxpayers), on a return was covered by a pension plan, a tax-deductible IRA could only be taken if AGI (not including any adjustments for IRAs) was below a certain level. For those who filed as single or head of household, the IRA deduction was eliminated if AGI was $35,000 or more, and a partial deduction (which was phased out with increasing AGI) could be taken if AGI was within the range of $25,000 to $35,000. Taxpayers who were married filing joint returns and qualifying widow(er)s could not deduct any contributions to an IRA if AGI was $50,000 or more; a reduced deduction was allowed if AGI was between $40,000 and $50,000. Finally, for married couples filing separate returns, no deduction was allowed if AGI was $10,000 or more, and the deduction was gradually phased out if AGI was under $10,000.

[8] For Tax Year 1986, the regular 10 percent investment tax credit was repealed for property placed in service after 1985 with the exception of qualified progress expenditures and investment tax credit transition property. For more information about this change in the law, see the "Explanation of Terms" section in *Statistics of Income--1986, Individual Income Tax Returns.*

[9] Additional amounts were allowed for taxpayers who were age 65 or older, or blind. These amounts, however, remained unchanged from 1987.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit (AGI)	Salaries and wages		Taxable interest		Tax-exempt interest [1]		Dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	**109,808,729**	**3,097,302,476**	**93,464,145**	**2,347,226,062**	**69,594,430**	**182,574,232**	**3,545,284**	**34,565,944**	**22,861,803**	**77,933,963**
No adjusted gross income	980,736	-32,202,690	400,721	6,987,793	637,509	2,879,328	34,682	763,543	213,962	564,806
$1 under $1,000	3,151,542	1,874,247	2,096,504	2,155,180	1,347,279	566,295	31,068	11,556	311,025	106,414
$1,000 under $2,000	3,874,366	5,799,250	3,143,349	4,766,713	1,523,166	909,884	20,200	13,612	349,271	201,691
$2,000 under $3,000	3,616,252	8,993,576	3,114,255	7,748,217	1,469,171	976,944	5,272	3,801	268,964	171,817
$3,000 under $4,000	3,339,780	11,676,237	2,839,879	9,545,035	1,441,828	1,109,183	13,076	86,556	289,891	315,767
$4,000 under $5,000	3,127,276	14,050,387	2,578,625	10,974,504	1,283,407	1,400,819	11,575	30,060	276,068	243,527
$5,000 under $6,000	3,096,885	17,086,658	2,451,676	12,873,653	1,351,758	1,728,575	21,733	57,336	290,890	414,005
$6,000 under $7,000	3,143,823	20,442,505	2,510,210	15,607,948	1,457,188	2,245,345	12,908	27,928	331,625	368,883
$7,000 under $8,000	3,141,309	23,501,364	2,438,302	17,001,508	1,379,784	2,625,757	26,734	62,044	349,853	452,904
$8,000 under $9,000	3,043,969	25,876,728	2,340,201	18,321,141	1,478,523	3,005,250	35,487	65,074	368,172	530,265
$9,000 under $10,000	3,001,060	28,496,961	2,340,977	20,774,014	1,473,826	2,961,306	28,362	183,070	349,727	683,474
$10,000 under $11,000	2,846,862	29,880,942	2,281,247	22,239,909	1,386,373	2,693,902	40,580	173,380	366,616	632,069
$11,000 under $12,000	2,704,483	31,094,103	2,096,825	22,191,645	1,378,880	3,067,879	62,133	190,563	315,574	599,844
$12,000 under $13,000	2,717,452	33,955,670	2,220,842	25,501,701	1,376,555	2,859,632	32,925	127,894	327,612	684,991
$13,000 under $14,000	2,791,180	37,651,270	2,278,935	28,298,997	1,476,247	3,188,330	40,582	413,384	388,888	678,502
$14,000 under $15,000	2,615,657	37,867,980	2,165,500	29,369,048	1,442,576	2,848,836	32,311	149,990	329,035	613,197
$15,000 under $16,000	2,588,961	40,131,355	2,148,781	31,034,736	1,387,696	2,982,839	58,381	303,592	381,448	808,776
$16,000 under $17,000	2,356,359	38,925,006	2,014,879	30,758,631	1,321,616	2,813,693	24,120	47,870	370,247	664,990
$17,000 under $18,000	2,449,543	42,886,890	2,098,369	34,053,709	1,364,557	2,890,737	49,188	294,648	296,225	544,096
$18,000 under $19,000	2,190,218	40,488,540	1,816,347	30,756,677	1,259,382	2,889,044	50,499	173,379	381,130	919,219
$19,000 under $20,000	2,130,959	41,561,869	1,839,840	33,321,517	1,295,581	2,591,438	31,244	200,252	358,436	800,868
$20,000 under $25,000	9,265,634	207,584,614	8,173,939	170,093,251	5,910,496	11,691,966	169,534	721,751	1,577,694	2,825,522
$25,000 under $30,000	7,474,376	205,014,579	6,795,748	171,757,515	5,316,961	9,562,847	203,695	823,410	1,526,257	2,641,467
$30,000 under $40,000	11,961,164	415,415,014	10,998,905	352,271,623	9,500,827	18,715,417	438,511	2,348,843	3,055,383	6,045,659
$40,000 under $50,000	8,232,520	367,676,006	7,641,542	312,684,115	7,143,618	14,778,586	370,962	2,162,923	2,653,847	4,693,817
$50,000 under $75,000	8,919,835	533,429,045	8,261,019	442,882,997	8,272,212	21,676,010	625,626	4,369,570	3,857,111	9,942,486
$75,000 under $100,000	2,512,140	213,652,821	2,241,458	160,859,549	2,430,220	12,480,820	363,532	3,521,451	1,466,212	6,123,693
$100,000 under $200,000	1,795,016	237,769,185	1,525,931	150,246,615	1,754,012	15,858,601	415,981	5,312,457	1,215,418	9,426,924
$200,000 under $500,000	554,837	163,443,992	455,379	89,205,703	549,234	11,321,398	198,597	4,951,169	433,920	7,940,509
$500,000 under $1,000,000	119,231	80,742,982	99,547	36,746,171	118,763	5,947,368	57,906	2,923,228	102,244	4,818,481
$1,000,000 and over	65,303	172,535,388	54,414	46,196,249	65,184	11,306,202	37,882	4,051,611	59,057	12,475,300
Taxable returns, total	**86,984,752**	**2,997,570,657**	**75,412,014**	**2,239,387,039**	**61,710,856**	**168,052,558**	**3,349,173**	**32,816,986**	**20,918,525**	**74,592,965**
Nontaxable returns, total	**22,823,977**	**99,731,819**	**18,052,131**	**107,839,024**	**7,883,574**	**14,521,674**	**196,111**	**1,748,957**	**1,943,278**	**3,340,998**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession				Capital gains distributions reported on Form 1040	
					Net income		Net loss			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	**19,629,870**	**10,890,354**	**463,973**	**2,995,916**	**10,473,148**	**140,336,317**	**3,075,329**	**17,904,176**	**1,784,122**	**953,878**
No adjusted gross income	80,228	101,525	*818	*16,244	117,213	1,219,385	318,515	5,481,752	8,523	5,834
$1 under $1,000	18,980	8,422	—	—	103,269	174,628	38,920	100,058	57,396	4,539
$1,000 under $2,000	29,620	3,345	—	—	166,412	213,975	28,530	143,533	43,286	16,625
$2,000 under $3,000	42,318	17,927	*13,752	*28,787	175,768	364,088	54,398	198,803	39,373	11,911
$3,000 under $4,000	26,849	9,890	*2,886	*11,254	212,000	573,957	44,018	216,529	*22,916	*6,217
$4,000 under $5,000	41,232	17,965	*14,429	*52,015	195,300	647,633	40,749	136,278	25,125	6,743
$5,000 under $6,000	53,100	21,799	*13,752	*47,982	276,350	1,179,146	42,091	160,812	*25,295	*10,920
$6,000 under $7,000	56,514	10,004	*21,733	*81,117	230,330	872,243	41,544	169,963	32,599	5,277
$7,000 under $8,000	109,272	29,321	*13,752	*71,527	232,880	1,115,661	26,625	59,333	*13,752	*3,276
$8,000 under $9,000	72,505	21,652	*13,752	*54,342	211,221	1,104,382	48,607	93,193	29,714	21,783
$9,000 under $10,000	85,374	29,417	*23,086	*109,100	227,861	1,370,219	25,744	90,668	32,209	17,969
$10,000 under $11,000	80,650	56,912	*10,866	*45,747	217,077	1,267,091	60,856	222,031	26,732	9,960
$11,000 under $12,000	112,348	23,977	*5,771	*46,806	196,337	1,108,229	37,495	127,360	*19,524	*10,378
$12,000 under $13,000	125,290	47,300	*13,752	*79,874	216,471	1,378,237	34,515	105,525	30,294	13,908
$13,000 under $14,000	145,087	33,621	*2,886	*1,157	236,569	1,591,758	57,988	279,470	*22,590	*9,133
$14,000 under $15,000	205,404	47,914	*22,409	*76,295	189,840	1,610,450	39,273	169,174	36,838	29,053
$15,000 under $16,000	197,219	48,676	*11,543	*38,120	187,631	1,317,669	47,706	203,628	*18,847	*18,179
$16,000 under $17,000	204,039	48,367	*10,866	*16,586	203,150	1,590,745	45,897	138,785	35,811	19,568
$17,000 under $18,000	278,963	80,127	*10,866	*35,894	245,403	1,812,720	48,601	225,442	34,191	19,163
$18,000 under $19,000	182,123	59,851	*11,543	*52,275	187,548	1,516,145	49,702	202,267	28,864	9,488
$19,000 under $20,000	257,912	90,859	*12,458	*123,719	213,944	1,910,503	36,622	207,838	*24,523	*14,245
$20,000 under $25,000	1,396,254	424,102	56,040	299,971	903,816	8,104,552	263,002	1,213,783	127,780	66,253
$25,000 under $30,000	1,685,624	621,023	29,616	180,790	818,329	7,664,153	216,660	748,626	148,868	51,816
$30,000 under $40,000	4,100,348	1,466,947	65,416	559,396	1,305,090	13,228,715	432,737	1,503,750	259,657	142,332
$40,000 under $50,000	3,485,583	1,428,305	38,506	239,332	967,939	10,929,934	327,871	1,256,279	196,634	98,802
$50,000 under $75,000	4,185,170	2,005,370	19,892	177,105	1,195,931	21,465,497	383,823	1,393,133	284,674	93,361
$75,000 under $100,000	1,167,637	910,931	14,752	326,658	462,771	14,390,390	125,154	728,640	88,493	99,210
$100,000 under $200,000	835,234	1,163,113	7,020	152,984	415,358	21,622,783	105,618	932,740	54,585	48,966
$200,000 under $500,000	269,716	879,855	1,391	58,788	123,419	11,569,918	35,652	589,351	13,083	25,030
$500,000 under $1,000,000	61,773	439,003	226	5,319	24,541	3,662,078	10,207	298,477	1,430	28,171
$1,000,000 and over	37,531	742,837	194	6,730	13,381	3,759,434	6,205	506,954	518	35,769
Taxable returns, total	**18,772,853**	**10,465,805**	**402,375**	**2,729,207**	**8,316,707**	**129,277,994**	**2,303,021**	**10,205,630**	**1,679,454**	**914,943**
Nontaxable returns, total	**857,017**	**424,550**	**61,598**	**266,709**	**2,156,441**	**11,058,323**	**772,308**	**7,698,547**	**104,668**	**38,935**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Sales of capital assets reported on Schedule D				Sales of property other than capital assets				Taxable IRA distribution	
	Net gain		Net loss		Net gain		Net loss			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	**7,846,452**	**159,293,299**	**4,575,590**	**7,951,934**	**962,870**	**6,039,188**	**789,557**	**3,841,980**	**2,656,201**	**11,205,923**
No adjusted gross income	165,419	3,560,641	107,862	263,790	58,069	382,287	73,586	1,691,636	13,546	85,515
$1 under $1,000	61,375	57,133	51,943	34,233	*8,256	*2,211	*2,211	*7,430	*9,397	*11,999
$1,000 under $2,000	48,933	169,287	67,904	96,046	*8,790	*46,958	*8,721	*2,664	*5,771	*10,443
$2,000 under $3,000	75,456	191,038	31,066	43,202	*13,969	*23,925	*4,419	*21,053	*13,402	*17,148
$3,000 under $4,000	95,029	185,126	53,653	76,862	*7,531	*28,839	*9	*34	*19,524	*26,367
$4,000 under $5,000	74,704	146,026	34,304	73,235	*13,899	*78,655	*10,176	*7,539	38,403	103,031
$5,000 under $6,000	65,171	154,686	72,317	124,714	*4,182	*27,408	*3,647	*44,517	28,925	93,551
$6,000 under $7,000	90,235	156,616	45,919	98,483	*11,628	*21,786	*4,659	*37,408	32,437	91,819
$7,000 under $8,000	107,624	264,075	87,281	161,629	*6,957	*25,706	*9,163	*19,190	*25,295	*53,497
$8,000 under $9,000	92,456	212,063	50,152	77,763	*9,841	*24,178	*13,419	*32,481	56,362	125,354
$9,000 under $10,000	105,530	232,238	73,952	96,384	*12,081	*10,637	*9,163	*7,046	39,047	107,767
$10,000 under $11,000	103,467	216,646	67,425	117,405	*16,950	*37,657	*12,358	*21,574	67,408	172,503
$11,000 under $12,000	107,124	414,172	65,345	116,203	21,687	38,336	*3,647	*1,328	56,362	208,655
$12,000 under $13,000	75,019	179,193	60,268	106,924	19,429	51,632	*10,268	*9,515	83,009	230,602
$13,000 under $14,000	100,329	344,483	70,888	111,747	*7,671	*19,406	*8,657	*18,737	43,972	120,385
$14,000 under $15,000	98,516	217,948	65,039	131,796	*9,840	*7,229	*10,944	*61,382	81,837	274,583
$15,000 under $16,000	101,519	354,352	73,484	128,042	*9,930	*23,378	*17,049	*28,241	59,570	125,305
$16,000 under $17,000	114,003	311,139	61,817	99,796	*12,856	*64,689	*6,692	*45,318	65,851	263,495
$17,000 under $18,000	112,123	434,971	55,829	94,481	17,643	77,729	*9,100	*10,279	60,723	149,914
$18,000 under $19,000	104,530	433,257	75,647	151,098	*10,753	*26,721	*13,884	*14,167	49,213	189,170
$19,000 under $20,000	88,506	257,737	90,903	133,055	*11,707	*20,652	22,449	75,926	61,500	113,875
$20,000 under $25,000	498,209	1,930,112	311,461	537,638	44,916	137,624	50,735	108,123	239,131	720,692
$25,000 under $30,000	472,333	1,839,258	278,749	514,733	69,527	183,095	44,039	150,035	182,171	592,803
$30,000 under $40,000	1,007,125	4,348,514	561,285	920,148	103,884	370,304	88,324	180,271	382,352	1,355,611
$40,000 under $50,000	807,427	4,073,455	491,530	799,836	113,064	433,557	68,729	113,535	320,668	1,152,749
$50,000 under $75,000	1,287,974	10,772,991	789,949	1,294,649	124,562	749,462	103,104	289,742	401,161	2,129,840
$75,000 under $100,000	645,014	7,673,055	332,371	595,611	74,913	447,742	43,265	129,137	112,447	731,994
$100,000 under $200,000	714,914	21,159,834	305,674	620,075	75,485	709,866	70,394	284,955	79,717	875,343
$200,000 under $500,000	297,351	22,633,859	108,650	249,175	42,178	772,987	44,583	189,317	20,627	506,157
$500,000 under $1,000,000	79,549	16,656,781	22,779	56,652	12,107	403,655	12,801	95,543	3,781	167,232
$1,000,000 and over	49,489	59,712,613	10,144	26,528	8,565	790,877	9,362	143,857	2,592	398,524
Taxable returns, total	**7,075,717**	**153,554,107**	**4,020,175**	**6,798,037**	**772,657**	**5,194,365**	**649,536**	**1,961,668**	**2,409,231**	**10,406,568**
Nontaxable returns, total	**770,735**	**5,739,193**	**555,415**	**1,153,897**	**190,213**	**844,823**	**140,021**	**1,880,312**	**246,970**	**799,354**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Pensions and annuities				Total rental and royalty				Partnership and S Corporation	
	Total		In adjusted gross income		Net income		Net loss		Net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	**17,256,635**	**176,747,627**	**16,541,165**	**139,988,167**	**4,769,914**	**27,264,070**	**5,138,677**	**28,015,845**	**2,808,126**	**95,718,173**
No adjusted gross income	63,795	662,143	55,081	437,159	88,949	663,118	159,896	2,540,323	20,670	523,520
$1 under $1,000	37,110	148,028	37,110	93,404	26,871	68,098	34,699	161,482	*14,468	*6,760
$1,000 under $2,000	75,776	316,763	64,233	68,825	30,096	43,768	27,369	122,537	*8,657	*8,063
$2,000 under $3,000	135,351	330,166	126,694	262,546	43,388	70,066	48,452	240,440	*17,314	*20,214
$3,000 under $4,000	172,561	654,250	169,676	343,263	56,542	72,976	44,412	174,528	*19,524	*27,940
$4,000 under $5,000	258,956	777,701	256,071	725,984	81,119	190,009	54,182	128,033	*18,415	*102,742
$5,000 under $6,000	296,838	1,079,106	291,067	938,756	110,619	255,694	38,341	248,417	37,351	137,140
$6,000 under $7,000	385,561	1,643,085	382,675	1,514,812	82,061	130,017	63,461	332,198	20,339	118,521
$7,000 under $8,000	440,232	1,967,849	432,251	1,875,063	114,963	302,440	61,549	187,414	38,022	139,064
$8,000 under $9,000	513,236	2,588,367	504,579	2,424,602	102,598	214,814	59,827	223,508	46,203	141,679
$9,000 under $10,000	516,926	2,738,878	511,154	2,516,267	112,610	302,903	60,018	288,265	30,409	129,102
$10,000 under $11,000	477,077	2,698,089	463,325	2,555,507	113,019	320,254	50,227	258,312	42,909	214,042
$11,000 under $12,000	504,200	3,397,012	502,450	3,241,675	86,316	190,038	42,577	171,854	30,703	208,380
$12,000 under $13,000	474,022	2,899,398	474,022	2,806,441	98,406	351,488	57,014	250,948	46,467	339,688
$13,000 under $14,000	470,065	3,639,299	461,408	3,230,342	84,560	286,274	77,698	288,360	50,326	195,438
$14,000 under $15,000	440,753	3,503,402	433,136	3,246,134	82,893	215,939	76,877	395,607	30,353	144,750
$15,000 under $16,000	471,355	3,715,895	462,698	3,174,080	79,140	352,011	62,752	247,650	36,941	242,143
$16,000 under $17,000	430,372	2,930,010	427,486	2,754,967	86,902	203,921	63,147	224,308	37,702	134,905
$17,000 under $18,000	392,482	3,475,798	372,959	3,100,263	101,728	265,979	82,635	275,648	*13,660	*104,155
$18,000 under $19,000	448,907	4,673,014	443,136	4,041,500	67,639	129,646	73,909	256,117	34,108	93,412
$19,000 under $20,000	347,732	3,098,651	347,732	2,758,469	75,632	328,919	60,097	275,515	35,107	190,641
$20,000 under $25,000	1,577,199	15,265,942	1,549,818	13,670,092	382,987	1,183,064	350,824	1,479,623	138,262	1,018,387
$25,000 under $30,000	1,198,534	12,831,520	1,162,638	10,887,779	314,209	1,151,898	357,134	1,538,646	157,339	1,134,521
$30,000 under $40,000	2,007,623	20,221,910	1,892,440	17,002,137	605,259	1,921,473	682,777	3,161,820	301,542	2,007,611
$40,000 under $50,000	1,712,386	18,494,254	1,620,613	15,433,547	430,276	1,967,097	649,803	2,797,953	263,311	2,670,969
$50,000 under $75,000	2,110,033	27,445,390	1,968,770	19,917,728	598,140	3,089,990	891,914	4,965,490	425,637	5,595,844
$75,000 under $100,000	672,460	11,885,153	602,659	7,905,531	256,521	2,207,161	380,237	2,526,082	255,234	5,038,081
$100,000 under $200,000	451,793	10,466,916	386,220	6,649,264	276,597	3,948,932	356,377	2,362,607	366,081	14,461,346
$200,000 under $500,000	123,618	5,762,608	99,994	2,623,433	125,985	3,367,332	126,630	1,106,528	187,869	17,414,338
$500,000 under $1,000,000	31,221	3,056,555	24,355	1,213,226	33,007	1,505,120	28,749	409,007	50,879	11,074,842
$1,000,000 and over	18,461	4,380,476	14,717	2,575,370	20,882	1,963,628	15,096	376,622	32,324	32,079,936
Taxable returns, total	**15,151,870**	**166,594,320**	**14,493,248**	**131,664,081**	**4,033,450**	**24,988,124**	**4,451,717**	**22,700,094**	**2,571,506**	**93,989,145**
Nontaxable returns, total	**2,104,765**	**10,153,307**	**2,047,917**	**8,324,086**	**736,463**	**2,275,945**	**686,960**	**5,315,750**	**236,620**	**1,729,028**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Partnership and S Corporation—Continued		Estate and trust				Farm			
	Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
All returns, total	**2,916,251**	**33,118,252**	**500,552**	**4,124,229**	**64,880**	**486,441**	**933,921**	**11,042,187**	**1,477,052**	**14,044,151**
No adjusted gross income	187,437	10,825,047	7,574	36,555	3,937	65,408	41,961	520,197	222,323	4,358,225
$1 under $1,000	*2,339	*106,094	*708	*4,289	*708	*1,161	23,360	16,178	20,969	175,649
$1,000 under $2,000	*18,587	*120,291	*11,543	*13,851	—	—	20,284	76,168	22,471	164,933
$2,000 under $3,000	15,509	238,709	*2,886	*378	—	—	*13,013	*21,048	16,429	137,548
$3,000 under $4,000	*17,859	*141,979	*8,660	*1,769	—	—	20,772	55,736	*12,841	*106,755
$4,000 under $5,000	21,983	112,151	*10,064	*35,967	—	—	*17,082	*29,558	32,411	247,919
$5,000 under $6,000	12,909	108,826	*11,543	*24,895	—	—	26,276	84,344	18,179	149,566
$6,000 under $7,000	*13,872	*7,975	*5,771	*6,184	*2,387	*91,292	31,751	127,434	38,385	190,016
$7,000 under $8,000	24,161	150,476	*5,095	*8,454	—	—	26,561	101,263	24,157	245,456
$8,000 under $9,000	20,385	57,320	*5,095	*7,176	*1,859	*1,515	21,755	153,620	38,387	193,539
$9,000 under $10,000	28,440	267,999	*5,771	*13,520	—	—	28,459	188,667	32,317	231,053
$10,000 under $11,000	*19,606	*66,360	*11,543	*8,839	—	—	*11,505	*38,946	31,861	208,531
$11,000 under $12,000	*22,671	*126,876	*8,657	*14,884	—	—	19,548	161,759	21,135	283,132
$12,000 under $13,000	19,097	101,170	*2,886	*26,344	—	—	20,342	103,333	32,065	190,466
$13,000 under $14,000	18,277	71,778	*15,963	*65,016	*2,387	*59,666	*15,573	*113,768	15,016	85,956
$14,000 under $15,000	26,920	114,384	*11,543	*59,004	—	—	*7,436	*56,197	21,858	104,516
$15,000 under $16,000	34,452	91,735	*8,091	*53,871	*2,886	*817	*7,436	*47,640	18,445	145,025
$16,000 under $17,000	19,228	115,577	*2,886	*33,919	—	—	18,211	63,759	22,337	144,538
$17,000 under $18,000	39,295	202,878	*28	*( )	*2,886	*2,366	19,825	147,708	22,444	108,393
$18,000 under $19,000	38,008	153,133	*8,657	*20,223	—	—	*9,647	*46,285	33,439	226,017
$19,000 under $20,000	44,345	134,945	*7,981	*8,923	—	—	18,288	126,479	22,573	202,060
$20,000 under $25,000	171,893	888,426	40,645	232,197	*2,393	*22,737	63,157	552,065	120,438	639,854
$25,000 under $30,000	137,067	615,931	23,375	29,260	—	—	77,419	903,081	124,580	833,708
$30,000 under $40,000	293,320	1,112,535	63,479	150,441	*6,563	*33,791	138,273	1,528,664	139,201	874,812
$40,000 under $50,000	318,945	1,254,950	43,587	197,575	*5,750	*18,100	82,347	1,137,049	130,758	630,809
$50,000 under $75,000	478,553	2,146,414	72,049	278,951	7,954	15,447	92,132	2,060,366	133,702	818,329
$75,000 under $100,000	276,736	1,645,453	27,837	187,086	3,586	9,558	25,152	684,679	43,298	367,676
$100,000 under $200,000	357,363	3,693,084	42,294	565,785	11,640	59,963	23,753	697,756	38,021	713,611
$200,000 under $500,000	174,531	3,835,706	22,495	653,369	6,873	49,441	9,084	759,052	18,666	625,842
$500,000 under $1,000,000	40,410	1,967,507	6,901	311,878	1,793	21,677	2,057	155,757	5,058	281,636
$1,000,000 and over	22,052	2,642,544	4,945	1,073,627	1,279	33,503	1,463	283,630	3,290	358,582
Taxable returns, total	**2,511,168**	**20,531,189**	**440,624**	**3,926,792**	**53,408**	**280,467**	**647,836**	**8,984,129**	**955,567**	**7,341,466**
Nontaxable returns, total	**405,083**	**12,587,063**	**59,929**	**197,437**	**11,472**	**205,974**	**286,085**	**2,058,058**	**521,486**	**6,702,685**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Unemployment compensation in adjusted gross income		Social security benefits				Total income (less loss)		Statutory adjustments	
			Total		In adjusted gross income				Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns, total	**6,984,679**	**11,639,160**	**10,207,167**	**85,213,916**	**4,048,028**	**14,500,121**	**109,734,505**	**3,125,226,750**	**10,712,525**	**27,924,274**
No adjusted gross income	18,189	38,472	142,142	1,071,711	2,587	10,048	906,513	-32,018,488	73,648	184,201
$1 under $1,000	*15,962	*17,907	114,920	652,315	*2,211	*300	3,151,542	1,885,936	*20,791	*11,689
$1,000 under $2,000	33,952	26,950	145,665	909,526	*2,886	*1,544	3,874,366	5,839,737	39,320	40,487
$2,000 under $3,000	78,771	74,342	167,900	1,209,026	—	—	3,616,252	9,041,119	42,363	47,543
$3,000 under $4,000	74,352	78,879	191,975	1,469,284	—	—	3,339,780	11,754,053	43,884	77,816
$4,000 under $5,000	129,538	157,221	270,003	1,959,712	—	—	3,127,276	14,122,339	74,066	71,952
$5,000 under $6,000	150,089	209,912	288,962	1,985,287	—	—	3,096,885	17,180,188	69,022	93,529
$6,000 under $7,000	218,468	317,334	341,918	2,620,646	*4,076	*8,516	3,143,823	20,576,432	121,246	133,927
$7,000 under $8,000	210,541	319,350	361,395	2,691,775	*2,887	*1,284	3,141,309	23,657,586	113,175	156,222
$8,000 under $9,000	250,561	391,511	456,395	3,676,576	*2,211	*5,976	3,043,969	26,067,684	146,573	190,956
$9,000 under $10,000	222,380	400,044	391,002	3,053,687	—	—	3,001,060	28,706,659	153,245	209,698
$10,000 under $11,000	208,808	360,444	346,027	2,740,726	*8,657	*19,089	2,846,862	30,097,130	158,556	216,187
$11,000 under $12,000	231,048	437,849	355,644	2,734,998	*2,886	*9,009	2,704,483	31,312,934	146,983	218,831
$12,000 under $13,000	184,547	333,327	310,672	2,502,239	—	—	2,717,452	34,244,815	171,255	289,145
$13,000 under $14,000	238,086	424,705	297,419	2,638,690	*8,657	*31,731	2,791,180	37,831,676	150,809	180,406
$14,000 under $15,000	196,819	293,419	289,677	2,396,745	*8,657	*7,249	2,615,657	38,102,601	147,130	234,621
$15,000 under $16,000	223,406	408,987	250,043	2,109,393	*8,657	*31,428	2,588,961	40,345,274	151,970	213,918
$16,000 under $17,000	192,531	285,508	219,406	1,799,017	*5,771	*2,638	2,356,359	39,258,219	181,252	333,214
$17,000 under $18,000	198,968	353,719	209,559	1,967,575	*4,596	*37,561	2,449,543	43,169,811	186,474	282,921
$18,000 under $19,000	191,183	312,159	206,982	1,789,809	*8,896	*28,875	2,190,218	40,839,774	200,177	351,235
$19,000 under $20,000	191,852	292,264	187,776	1,689,940	*20,200	*54,814	2,130,959	41,938,584	218,986	376,715
$20,000 under $25,000	710,799	1,277,986	767,941	6,117,444	221,846	209,290	9,265,634	209,701,555	1,121,589	2,116,941
$25,000 under $30,000	614,001	1,027,058	633,067	5,350,862	484,387	730,807	7,474,376	207,124,758	1,100,142	2,110,179
$30,000 under $40,000	1,016,097	1,788,760	1,104,329	9,388,975	1,091,617	3,109,526	11,961,164	419,318,142	1,918,785	3,903,128
$40,000 under $50,000	618,391	1,011,881	769,599	6,748,836	769,599	3,243,040	8,232,520	370,200,916	1,415,245	2,524,910
$50,000 under $75,000	454,437	802,819	743,659	6,910,411	743,659	3,443,473	8,919,835	537,310,006	1,257,942	3,880,961
$75,000 under $100,000	79,554	132,891	270,125	2,816,798	270,125	1,408,035	2,512,140	216,108,345	519,597	2,455,524
$100,000 under $200,000	27,297	60,405	250,597	2,675,537	250,595	1,337,722	1,795,016	241,679,930	524,718	3,910,745
$200,000 under $500,000	3,223	8,594	89,395	1,109,986	89,395	554,977	554,837	165,661,562	186,406	2,217,570
$500,000 under $1,000,000	633	1,874	20,411	255,174	20,411	127,583	119,231	81,280,739	37,071	537,757
$1,000,000 and over	197	590	12,561	171,216	12,561	85,605	65,303	172,886,735	20,107	351,347
Taxable returns, total	**5,595,284**	**9,461,584**	**8,112,546**	**68,697,708**	**4,016,115**	**14,412,820**	**86,984,752**	**3,024,304,385**	**9,908,981**	**26,733,728**
Nontaxable returns, total	**1,389,395**	**2,177,576**	**2,094,621**	**16,516,208**	**31,914**	**87,301**	**22,749,753**	**100,922,365**	**803,544**	**1,190,546**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Statutory adjustments—Continued								Basic standard deduction	
	Employee business expense		Deductible IRA payments		Payments to a Keogh plan		Alimony paid			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
All returns, total	**1,373,344**	**4,240,603**	**6,390,790**	**11,946,011**	**796,034**	**6,542,546**	**568,654**	**3,948,468**	**76,612,914**	**281,281,802**
No adjusted gross income	4,443	68,429	15,003	30,321	1,054	1,823	5,266	56,459	—	—
$1 under $1,000	—	—	*5,856	*8,310	—	—	—	—	3,111,989	5,016,585
$1,000 under $2,000	*1,437	*17,318	*10,866	*12,872	—	—	—	—	3,833,636	8,435,204
$2,000 under $3,000	*4,419	*2,041	23,008	38,166	—	—	—	—	3,545,089	10,112,800
$3,000 under $4,000	*5,771	*29,524	*24,120	*41,928	—	—	—	—	3,252,156	10,409,327
$4,000 under $5,000	*5,771	*17,940	26,764	35,149	*2,209	*667	*2,886	*4,502	3,055,351	10,165,337
$5,000 under $6,000	*8,657	*7,843	29,363	49,948	—	—	*820	*20,524	2,985,975	10,111,109
$6,000 under $7,000	*2,886	*369	64,211	100,466	*2,209	*1,821	*7,304	*13,714	3,009,015	10,542,404
$7,000 under $8,000	*5,095	*18,685	48,908	86,163	*3,647	*4,162	*2,886	*19,132	2,958,925	10,655,688
$8,000 under $9,000	*11,597	*26,250	61,429	98,875	*4,419	*4,940	*10,866	*37,462	2,880,283	10,404,328
$9,000 under $10,000	*9,874	*41,431	76,043	105,500	*1,437	*12,309	*5,771	*28,569	2,814,177	10,349,223
$10,000 under $11,000	*8,657	*16,717	80,758	140,808	—	—	*7,981	*34,215	2,671,553	9,946,979
$11,000 under $12,000	*15,285	*34,374	101,874	163,843	—	—	*3,916	*4,159	2,496,434	9,431,289
$12,000 under $13,000	*2,886	*14,769	103,810	195,713	*6,278	*11,032	*10,190	*45,964	2,474,505	9,346,408
$13,000 under $14,000	*9,514	*20,180	74,617	117,071	*6,628	*11,380	*8,657	*14,417	2,533,739	9,677,143
$14,000 under $15,000	*11,861	*32,617	78,224	138,998	—	—	*8,657	*47,528	2,269,606	8,602,658
$15,000 under $16,000	*5,771	*19,366	113,178	164,874	*6,368	*6,705	*2,209	*10,605	2,257,329	8,591,160
$16,000 under $17,000	*14,269	*62,909	120,416	198,905	*3,647	*7,824	*8,158	*45,303	2,022,096	7,898,370
$17,000 under $18,000	26,152	59,817	100,115	176,033	*2,886	*2,014	*4,104	*23,586	2,084,708	8,194,086
$18,000 under $19,000	*19,846	*58,983	129,113	237,823	*3,594	*1,567	*7,887	*29,657	1,863,562	7,442,748
$19,000 under $20,000	*16,128	*61,766	138,577	219,617	*11,277	*19,778	*14,191	*51,963	1,757,702	6,920,678
$20,000 under $25,000	111,421	341,912	813,179	1,412,533	25,260	73,622	39,339	188,107	7,126,323	28,971,329
$25,000 under $30,000	116,779	343,398	795,843	1,404,243	28,209	101,913	31,243	145,964	5,020,115	21,393,446
$30,000 under $40,000	207,061	591,588	1,393,221	2,619,610	70,261	242,927	86,994	329,760	5,954,317	26,711,411
$40,000 under $50,000	202,788	454,043	963,929	1,460,476	60,481	197,031	68,811	308,463	2,731,379	12,869,492
$50,000 under $75,000	296,617	907,352	533,741	1,345,414	174,926	872,913	93,344	576,836	1,543,290	7,405,897
$75,000 under $100,000	120,519	439,228	197,697	558,823	117,765	956,589	51,546	435,666	242,293	1,138,306
$100,000 under $200,000	89,682	404,326	187,373	544,686	175,392	2,194,345	50,350	644,918	96,303	442,974
$200,000 under $500,000	22,757	105,412	60,751	183,622	69,649	1,383,279	25,668	492,425	17,420	79,412
$500,000 under $1,000,000	3,898	28,349	12,214	36,321	12,390	285,416	5,711	175,459	2,682	11,950
$1,000,000 and over	1,504	13,665	6,587	18,902	6,050	148,489	3,898	163,113	962	4,060
Taxable returns, total	**1,313,600**	**3,946,800**	**6,111,101**	**11,470,562**	**776,331**	**6,484,204**	**546,842**	**3,793,524**	**56,405,776**	**207,489,690**
Nontaxable returns, total	**59,744**	**293,804**	**279,689**	**475,449**	**19,704**	**58,342**	**21,812**	**154,944**	**20,207,138**	**73,792,112**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Additional standard deduction		Itemized deductions							
			Total		Medical and dental expense deduction		Taxes paid deduction		Interest paid deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)
All returns, total	**10,323,320**	**9,256,935**	**31,790,368**	**388,565,374**	**4,743,464**	**17,829,495**	**31,240,581**	**120,136,673**	**29,510,503**	**175,148,346**
No adjusted gross income	—	—	—	—	—	—	—	—	—	—
$1 under $1,000	110,283	90,147	9,808	98,275	*7,590	*37,971	7,829	16,806	7,241	41,774
$1,000 under $2,000	154,377	132,429	25,445	192,676	22,559	84,810	19,673	17,532	16,787	79,203
$2,000 under $3,000	175,005	147,233	42,983	383,742	35,629	131,784	38,660	58,418	37,211	160,047
$3,000 under $4,000	248,528	209,596	65,891	381,280	45,568	99,847	65,891	66,844	49,253	154,916
$4,000 under $5,000	327,773	277,189	47,307	412,143	33,043	172,320	37,888	48,867	37,467	136,199
$5,000 under $6,000	421,809	342,276	96,978	801,692	61,283	374,945	79,663	80,335	60,138	223,330
$6,000 under $7,000	531,460	439,502	115,957	899,526	74,569	321,372	99,533	115,910	79,461	340,338
$7,000 under $8,000	521,283	454,335	167,955	1,391,993	123,262	637,544	136,889	185,904	113,802	410,359
$8,000 under $9,000	599,605	533,615	141,953	1,120,439	98,843	660,678	111,250	104,212	86,755	179,725
$9,000 under $10,000	578,053	508,852	160,731	1,389,971	101,468	560,980	143,807	208,398	121,035	472,625
$10,000 under $11,000	488,459	439,025	165,119	1,552,254	114,139	762,958	137,710	141,578	115,301	421,291
$11,000 under $12,000	534,319	486,861	190,734	1,506,576	118,395	657,793	171,211	186,162	138,792	482,133
$12,000 under $13,000	432,898	387,038	232,080	1,746,059	105,022	333,232	220,433	334,885	194,433	787,846
$13,000 under $14,000	440,532	397,193	247,927	1,852,483	131,638	593,408	234,090	280,792	199,007	679,656
$14,000 under $15,000	316,412	292,413	335,575	2,575,115	160,129	634,842	316,052	422,697	264,279	963,454
$15,000 under $16,000	358,798	327,829	303,451	2,336,924	146,890	693,391	286,137	416,692	248,384	866,783
$16,000 under $17,000	319,742	290,576	321,864	2,342,745	124,112	385,756	304,465	409,286	279,088	1,175,880
$17,000 under $18,000	310,939	287,677	354,645	2,617,004	131,014	367,720	345,479	520,705	299,388	1,251,812
$18,000 under $19,000	308,464	287,461	314,256	2,439,964	113,680	575,181	296,181	428,435	271,974	985,855
$19,000 under $20,000	268,355	248,615	365,953	2,589,655	123,719	289,039	357,296	505,459	327,224	1,233,873
$20,000 under $25,000	863,691	805,197	2,109,515	15,889,803	619,852	1,730,994	2,041,520	3,462,489	1,933,665	7,268,492
$25,000 under $30,000	513,738	453,451	2,438,504	18,927,961	498,042	1,226,051	2,391,652	4,376,929	2,312,100	9,596,057
$30,000 under $40,000	642,131	594,409	5,983,442	52,231,920	774,503	2,080,941	5,933,240	13,683,686	5,696,032	26,583,305
$40,000 under $50,000	422,079	400,548	5,492,785	53,981,849	441,427	1,359,135	5,457,737	15,521,772	5,254,605	27,075,451
$50,000 under $75,000	298,157	286,328	7,372,696	89,408,641	405,837	1,737,574	7,336,419	28,269,289	7,061,050	43,279,906
$75,000 under $100,000	85,317	86,775	2,269,846	38,631,732	81,578	455,196	2,263,250	12,808,333	2,124,232	18,188,694
$100,000 under $200,000	41,221	40,524	1,698,712	41,541,074	41,524	538,462	1,692,218	14,764,039	1,544,124	17,767,588
$200,000 under $500,000	8,207	8,210	537,410	23,238,307	7,305	288,856	534,143	9,845,387	479,424	8,408,068
$500,000 under $1,000,000	1,280	1,263	116,520	9,408,160	705	30,579	116,225	4,480,174	102,416	2,685,006
$1,000,000 and over	404	369	64,326	16,675,413	139	6,136	64,038	8,374,658	55,834	3,248,679
Taxable returns, total	**7,951,477**	**7,093,966**	**30,287,545**	**368,077,695**	**3,761,434**	**10,245,042**	**29,931,964**	**117,865,277**	**28,358,579**	**167,420,366**
Nontaxable returns, total	**2,371,843**	**2,162,969**	**1,502,823**	**20,487,679**	**982,030**	**7,584,453**	**1,308,617**	**2,271,396**	**1,151,924**	**7,727,980**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Itemized deductions—Continued								Exemptions	
	Contributions deduction		Moving expenses		Net limited miscellaneous deductions		Other miscellaneous deductions			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)
All returns, total	**29,058,948**	**50,519,925**	**901,684**	**3,601,280**	**7,361,881**	**18,548,686**	**2,131,837**	**1,544,668**	**222,111,527**	**431,471,224**
No adjusted gross income	—	—	—	—	—	—	—	—	1,990,453	3,779,718
$1 under $1,000	8,980	1,276	—	—	*928	*448	—	—	1,774,394	3,399,718
$1,000 under $2,000	*15,254	*5,367	—	—	*11,659	*5,764	—	—	2,574,519	4,996,334
$2,000 under $3,000	32,028	18,692	—	—	*15,685	*14,801	—	—	2,926,499	5,658,054
$3,000 under $4,000	55,036	19,743	—	—	31,349	39,930	—	—	3,159,345	6,113,035
$4,000 under $5,000	32,627	39,242	—	—	*13,956	*15,514	—	—	3,609,737	6,987,630
$5,000 under $6,000	44,497	47,092	—	—	29,151	70,571	—	—	3,784,288	7,345,800
$6,000 under $7,000	83,412	78,774	—	—	30,374	21,967	*5,771	*20,953	4,571,983	8,888,195
$7,000 under $8,000	130,677	82,473	*2,886	*6,210	39,443	47,748	*7,304	*3,328	4,981,315	9,674,050
$8,000 under $9,000	119,543	141,874	—	—	32,236	28,835	*5,771	*5,113	4,820,219	9,327,658
$9,000 under $10,000	103,745	73,179	*2,886	*211	40,910	74,579	*4	*(2)	5,073,280	9,811,319
$10,000 under $11,000	128,016	139,356	—	—	43,824	87,072	—	—	4,781,630	9,281,677
$11,000 under $12,000	139,800	86,253	*2,886	*6,484	48,561	86,943	*8,657	*808	4,841,990	9,390,977
$12,000 under $13,000	183,302	195,452	*3,222	*18,652	43,690	66,914	*2,886	*245	4,855,867	9,420,353
$13,000 under $14,000	204,671	206,073	*3,175	*1,761	39,249	78,070	*10,545	*12,724	5,237,190	10,159,148
$14,000 under $15,000	281,243	334,234	*4,323	*54,691	70,337	87,241	*4,312	*137	4,824,481	9,363,729
$15,000 under $16,000	240,642	219,779	*5,095	*10,312	65,992	119,080	*7,293	*7,664	4,846,755	9,391,791
$16,000 under $17,000	258,634	252,170	—	—	51,093	116,154	*14,609	*3,498	4,720,557	9,166,894
$17,000 under $18,000	300,748	295,620	*7,209	*26,168	90,072	131,541	*22,579	*23,064	4,993,336	9,699,021
$18,000 under $19,000	263,633	244,939	*10,094	*31,402	63,330	148,893	*5,777	*439	4,524,164	8,799,457
$19,000 under $20,000	321,133	372,668	*12,304	*35,921	104,039	137,496	*35,485	*15,200	4,272,868	8,295,949
$20,000 under $25,000	1,864,033	2,019,436	59,937	166,304	510,481	917,201	123,906	122,367	19,919,712	38,714,479
$25,000 under $30,000	2,146,195	2,307,264	56,818	141,032	628,608	1,137,343	173,331	90,134	17,806,706	34,624,573
$30,000 under $40,000	5,415,513	5,908,513	153,190	406,759	1,551,140	2,884,562	379,340	248,723	31,709,469	61,650,879
$40,000 under $50,000	5,121,668	6,567,361	148,117	431,307	1,299,098	2,750,389	434,143	207,171	23,746,301	46,203,832
$50,000 under $75,000	7,040,777	10,732,078	225,290	961,271	1,611,271	4,018,825	510,866	244,737	26,818,009	52,223,814
$75,000 under $100,000	2,189,775	4,561,176	105,612	553,859	471,986	1,894,524	201,892	72,891	7,435,618	14,482,525
$100,000 under $200,000	1,636,432	5,567,858	83,011	609,645	336,539	2,046,649	128,517	211,913	5,348,900	10,411,609
$200,000 under $500,000	520,409	3,597,460	12,892	108,563	70,938	842,112	35,602	123,569	1,638,453	3,189,445
$500,000 under $1,000,000	113,601	1,824,639	1,965	23,149	11,618	286,013	7,973	63,791	345,373	672,615
$1,000,000 and over	62,924	4,579,885	773	7,580	4,324	391,507	5,272	66,200	178,117	346,947
Taxable returns, total	**27,945,800**	**49,290,383**	**877,168**	**3,475,372**	**6,984,629**	**17,712,768**	**2,067,050**	**1,432,663**	**176,966,071**	**343,998,473**
Nontaxable returns, total	**1,113,148**	**1,229,542**	**24,516**	**125,909**	**377,252**	**835,918**	**64,787**	**112,005**	**45,145,457**	**87,472,752**

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Taxable income		Income tax before credits		Total tax credits		Income tax after credits		Alternative minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)
All returns, total	**90,097,359**	**2,081,050,200**	**90,048,533**	**422,186,637**	**14,042,284**	**6,789,387**	**86,975,112**	**415,397,250**	**87,890**	**711,047**
No adjusted gross income	—	—	*8	*719	*6	*39	*8	*679	4,450	61,007
$1 under $1,000	903,466	171,153	903,466	30,753	*3,801	*11	899,665	30,741	*9	*167
$1,000 under $2,000	1,094,045	511,015	1,078,083	87,158	—	—	1,078,083	87,158	—	—
$2,000 under $3,000	899,033	513,753	882,395	81,601	*3,801	*53	882,395	81,548	—	—
$3,000 under $4,000	1,344,061	982,863	1,338,290	153,560	—	—	1,338,290	153,560	*3	*75
$4,000 under $5,000	956,217	1,452,748	953,332	236,385	—	—	953,332	236,385	—	—
$5,000 under $6,000	2,011,521	2,529,236	2,007,102	379,254	25,676	1,209	1,984,312	378,046	*8	*95
$6,000 under $7,000	2,073,701	3,873,065	2,071,491	573,578	68,469	5,135	2,018,366	568,443	—	—
$7,000 under $8,000	1,937,013	5,128,274	1,944,898	799,676	66,782	12,809	1,904,498	786,867	—	—
$8,000 under $9,000	2,105,585	6,858,595	2,102,349	1,026,165	201,981	24,470	1,927,493	1,001,695	*6	*113
$9,000 under $10,000	2,220,782	8,363,872	2,217,896	1,238,378	341,439	70,236	1,908,438	1,168,142	—	—
$10,000 under $11,000	2,393,519	9,976,998	2,391,309	1,496,622	431,471	117,234	2,016,677	1,379,388	*120	*362
$11,000 under $12,000	2,407,581	11,138,213	2,404,695	1,661,590	537,138	148,039	1,911,349	1,513,551	*1,021	*1,498
$12,000 under $13,000	2,499,864	13,647,666	2,499,864	2,033,437	565,102	223,881	2,062,722	1,809,556	**8	**199
$13,000 under $14,000	2,609,927	16,082,524	2,609,927	2,411,572	663,614	289,874	2,186,192	2,121,698	**	**
$14,000 under $15,000	2,472,756	17,560,426	2,472,756	2,648,466	658,465	273,193	2,186,721	2,375,272	*5	*834
$15,000 under $16,000	2,512,615	19,791,801	2,512,615	2,957,847	703,998	265,878	2,353,148	2,691,969	—	—
$16,000 under $17,000	2,261,320	19,628,709	2,261,320	2,940,300	644,420	208,805	2,181,909	2,731,495	*336	*37
$17,000 under $18,000	2,403,096	22,306,794	2,403,096	3,399,245	745,136	185,010	2,336,063	3,214,235	**31	**79
$18,000 under $19,000	2,149,357	21,717,060	2,149,355	3,254,628	468,881	107,345	2,127,568	3,147,283	**	**
$19,000 under $20,000	2,109,231	23,603,337	2,109,231	3,535,651	211,490	106,233	2,090,789	3,429,418	*820	*4,585
$20,000 under $25,000	9,181,634	123,706,858	9,181,634	18,778,791	1,059,459	520,671	9,131,387	18,258,120	*817	*7,937
$25,000 under $30,000	7,445,454	129,887,776	7,447,841	20,693,072	974,278	440,931	7,421,952	20,252,141	*33	*495
$30,000 under $40,000	11,927,195	274,864,607	11,927,195	44,990,259	1,837,963	862,592	11,902,725	44,127,667	5,913	13,649
$40,000 under $50,000	8,224,307	254,373,273	8,224,307	43,245,670	1,400,269	629,276	8,219,219	42,616,394	4,495	19,001
$50,000 under $75,000	8,913,264	384,234,835	8,913,264	75,266,750	1,574,446	739,675	8,911,591	74,527,074	7,898	19,594
$75,000 under $100,000	2,509,890	159,386,786	2,509,890	35,894,060	423,737	314,297	2,509,885	35,579,763	13,378	40,593
$100,000 under $200,000	1,792,619	185,443,672	1,792,619	48,645,467	288,191	395,943	1,792,218	48,249,524	29,445	155,739
$200,000 under $500,000	553,969	137,028,818	553,966	39,465,009	95,989	310,321	553,815	39,154,688	14,020	206,855
$500,000 under $1,000,000	119,105	70,697,392	119,105	20,162,733	27,939	203,645	119,087	19,959,088	3,445	73,122
$1,000,000 and over	65,232	155,588,082	65,232	44,098,242	18,344	332,581	65,214	43,765,661	1,632	105,011
Taxable returns, total	**86,943,478**	**2,073,187,616**	**86,975,142**	**421,013,715**	**10,968,893**	**5,616,465**	**86,975,112**	**415,397,250**	**87,890**	**711,047**
Nontaxable returns, total	**3,153,881**	**7,862,585**	**3,073,391**	**1,172,922**	**3,073,391**	**1,172,922**	—	—	—	—

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Adjustments, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Total income tax [3]		Total tax liability [4]	
	Number of returns	Amount	Number of returns	Amount
	(101)	(102)	(103)	(104)
All returns, total	**86,984,752**	**416,108,297**	**88,816,847**	**433,222,195**
No adjusted gross income	4,455	61,686	134,016	230,982
$1 under $1,000	899,674	30,908	948,055	56,874
$1,000 under $2,000	1,078,083	87,158	1,223,524	116,944
$2,000 under $3,000	882,395	81,548	1,023,512	125,623
$3,000 under $4,000	1,338,292	153,635	1,500,414	228,131
$4,000 under $5,000	953,332	236,385	1,090,290	313,390
$5,000 under $6,000	1,984,319	378,141	2,059,611	506,211
$6,000 under $7,000	2,018,366	568,443	2,102,417	664,428
$7,000 under $8,000	1,904,498	786,867	2,017,052	921,907
$8,000 under $9,000	1,927,499	1,001,808	2,046,694	1,132,614
$9,000 under $10,000	1,908,438	1,168,142	2,000,282	1,328,598
$10,000 under $11,000	2,016,796	1,379,750	2,095,442	1,534,431
$11,000 under $12,000	1,911,662	1,515,049	1,984,186	1,678,235
$12,000 under $13,000	2,062,728	1,809,737	2,135,137	2,020,868
$13,000 under $14,000	2,186,194	2,121,715	2,280,716	2,357,610
$14,000 under $15,000	2,186,726	2,376,107	2,239,676	2,593,850
$15,000 under $16,000	2,353,148	2,691,969	2,389,142	2,910,483
$16,000 under $17,000	2,182,245	2,731,533	2,222,283	2,967,948
$17,000 under $18,000	2,336,090	3,214,305	2,361,272	3,491,420
$18,000 under $19,000	2,127,569	3,147,292	2,145,847	3,383,765
$19,000 under $20,000	2,090,900	3,434,003	2,104,692	3,721,598
$20,000 under $25,000	9,132,204	18,266,056	9,166,279	19,546,399
$25,000 under $30,000	7,421,985	20,252,636	7,444,196	21,544,026
$30,000 under $40,000	11,903,474	44,141,317	11,924,084	46,352,499
$40,000 under $50,000	8,219,534	42,635,395	8,220,634	44,498,408
$50,000 under $75,000	8,912,219	74,546,669	8,913,919	77,623,746
$75,000 under $100,000	2,510,081	35,620,355	2,510,536	37,146,868
$100,000 under $200,000	1,793,283	48,405,263	1,794,159	50,064,494
$200,000 under $500,000	554,197	39,361,543	554,363	39,935,141
$500,000 under $1,000,000	119,117	20,032,210	119,165	20,153,541
$1,000,000 and over	65,247	43,870,671	65,253	44,071,163
Taxable returns, total	**86,984,752**	**416,108,297**	**86,984,752**	**431,939,584**
Nontaxable returns, total	**—**	**—**	**1,832,095**	**1,282,611**

[1] Not included in adjusted gross income.
[2] Less than $500.
[3] Total income tax represents income tax after credits (including the earned income credit), plus alternative minimum tax.
[4] Total tax liability represents income tax after credits (including the earned income credit), plus alternative minimum tax, plus any other additional taxes, e.g., self-employment tax and penalty tax on individual retirement arrangements (IRA's).
* Estimate should be used with caution because of the small number of sample returns on which it is based.
** Data combined to avoid disclosure of information for specific taxpayers.
NOTE: Detail may not add to total because of rounding.