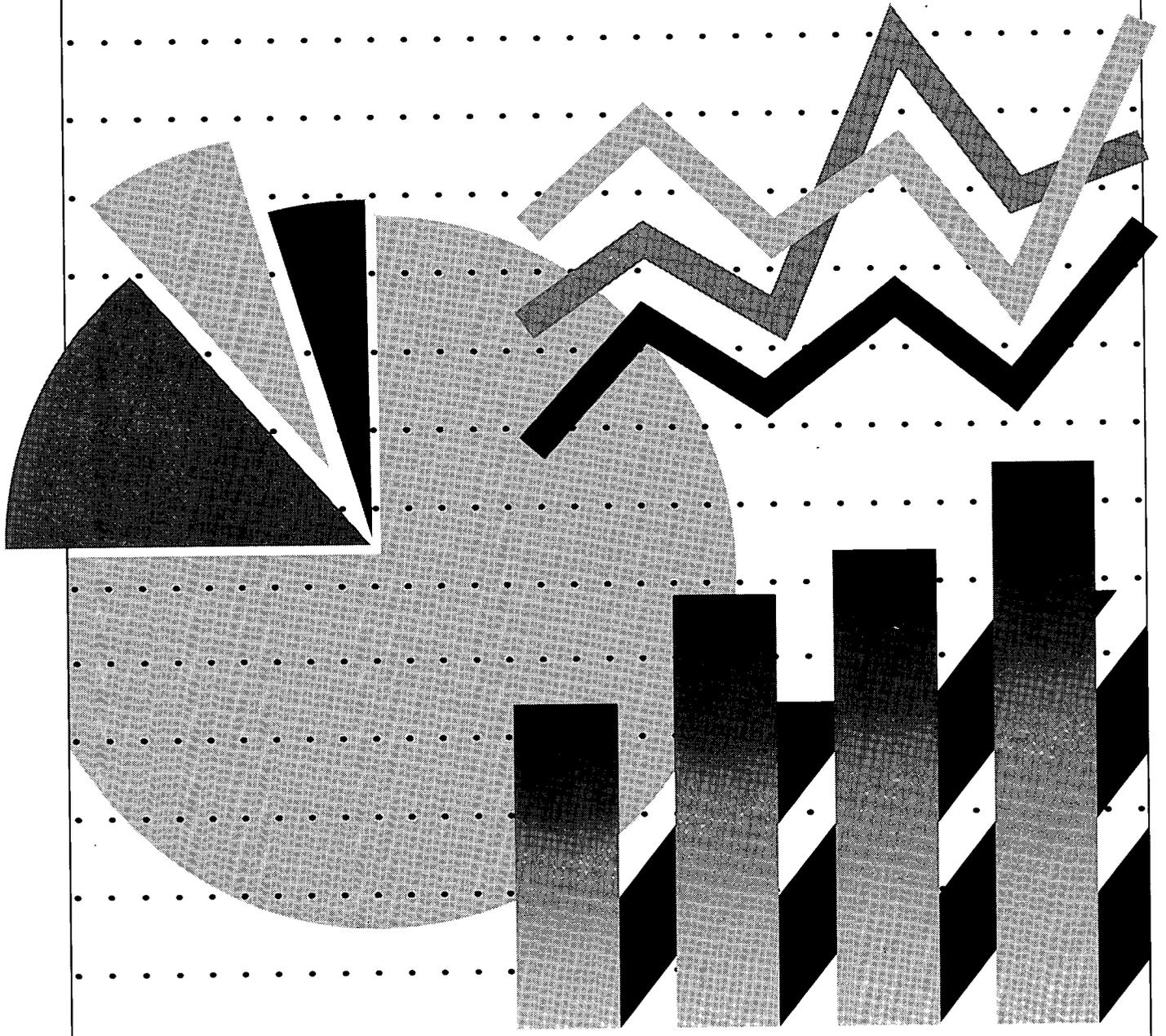


# SOI BULLETIN

— ANNIVERSARY ISSUE —  
80 Years of SOI Data

WINTER 1993-1994



**Department of the Treasury**  
**Internal Revenue Service**

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Commissioner

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Chief Compliance Officer

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Acting Director, Statistics of Income Division



# SOI BULLETIN

*A Quarterly Statistics of Income Report*

**Volume 13, Number 3**

The *Statistics of Income (SOI) Bulletin* is issued quarterly, in July, October, January and April, by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers and tax administrators. It also includes personal income and tax data by State and historical data for selected types of taxpayers, in addition to data on tax collections and refunds and on other tax-related items.

Information on the availability of supplemental data on the topics included in this issue, special tabulations undertaken on a reimbursable basis, or other SOI subjects, may be obtained by telephoning the SOI Statistical Information Services office (202-874-0410), or by writing to the Acting Director, Statistics of Income Division CP:S, Internal Revenue Service, P.O. Box 2608, Washington, D.C. 20013-2608.

Robert Wilson and Beth Kilss of the Statistics of Income Division are the technical editors of the *Bulletin*. Wendy Alvey, Paul Arnsberger, Clementine Brittain, Nancy Dutton, John Glynn, Bettye Jamerson and Ruth Schwartz made major contributions in the production of this issue. Views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department or the Internal Revenue Service.

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# Bulletin Board

## This Issue at a Glance

### **Statistics of Income Studies of International Income and Taxes**

by Sarah E. Nutter

This article is part of the 80th year celebration of Statistics of Income data, although most of the international statistics only date back to the early 1960's. As interest in issues of international taxation continues to grow, the Statistics of Income Division continues to collect and publish data related to the international transactions reported on U.S. tax returns. Currently, sixteen studies, which examine both the U.S. activity of foreign persons and the foreign activity of U.S. persons, are routinely conducted and most include data by country or geographic area. Transactions of corporations are the primary focus of nine of these studies. These nine include the foreign tax credit, Controlled Foreign Corporations, Interest Charge-Domestic International Sales Corporations, foreign corporations with income derived from U.S. sources, foreign-owned corporations, Foreign Sales Corporations, U.S. Possessions Corporations, international boycott participation, and domestic corporations controlled by foreign "persons." Two others focus on the foreign earned income and foreign tax credit of individuals. Three provide information about the U.S. source income of foreign "persons" and the U.S. withholding tax paid by third-parties on behalf of these foreign persons. The final two provide information on nonresident alien estates and foreign trusts.

### **Private Foundations and Charitable Trusts, 1990**

by Alicia Meckstroth

Contributions and grants made by the more than 40 thousand private foundations equaled \$8.9 billion for 1990, up by 10 percent from 1989. Over 33 thousand foundations made grants. The ten largest foundations in terms of assets held two-fifths of total foundation assets and distributed over one-tenth of the total amount of grants. Foundation revenues fell by 2 percent for 1990, to \$19.5 billion, due mainly to a decline in net gains from sales of assets and, to a lesser extent, a drop in contributions received. Total assets continued to grow to \$164.8 billion, 8 percent more than 1989. Foundations held nearly half of their assets, or \$79.3 billion, as investments in corporate stock, followed by investments in U.S. and

State Government obligations, 20 percent; and investments in corporate bonds, 9 percent.

### **Charities and Other Tax-Exempt Organizations, 1989**

by Cecelia Hilgert and Paul Arnsberger

Total revenue of the 133,157 charitable organizations (excluding private foundations and most religious organizations), tax exempt under Internal Revenue Code section 501(c)(3) and required to file Form 990, increased to \$398.6 billion for 1989. This was a 12 percent increase from 1988. "Program service revenue," largely school tuition and fees and hospital patient-care charges, accounted for more than two-thirds of the total, with contributions, gifts, and grants accounting for almost one-fifth. The 2,133 organizations with total assets of \$50 million or more accounted for over 60 percent of total revenue. This article presents the first statistics based on the 18,433 Forms 990EZ, filed for the first time for 1989 by smaller-size organizations. The 1989 statistics also include data on other types of organizations, tax-exempt under Code sections 501(c)(4)-(9). Among this group, voluntary employees' beneficiary associations, filing under section 501(c)(9), predominated in terms of total revenue.

### **High-Income Tax Returns for 1990**

The Tax Reform Act of 1976 required the annual publication of data on high-income individual income tax returns showing income of \$200,000 or more, including the number that show no income tax liability and the various tax provisions that make these returns nontaxable. In addition to Tax Year 1990, this article presents data for prior years, starting with 1977. Two income concepts are used to classify the returns as high income, the statutory concept of "adjusted gross income" or AGI, and the somewhat broader concept of "expanded income." Beginning with 1977, the number of returns under both concepts increased much more rapidly than the increase in the total number of returns filed. For 1990, there were 834,957 returns with AGI of \$200,000 or more and 860,940 with expanded income of \$200,000 or more. In addition, two concepts of income tax are used: "U.S. income tax liability" and "worldwide income tax liability." The reasons why both taxes were either reduced or completely offset on high-income returns are also provided. However, the entire analysis is based on returns

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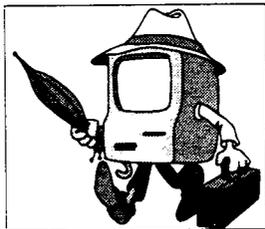
selected before any audit examinations by the Internal Revenue Service had taken place.

### Projections of Returns to be Filed in Calendar Years 1994-2000

by Carolyn DeWilde

Projections indicate that 215.2 million tax returns will be filed in Calendar Year 1994, an increase of 2.5 percent over 1993. This number is now expected to grow to 239.4 million by the year 2000. Individual income tax returns account for 117.9 million returns in 1994, with an annual growth rate of 1.8 percent expected through 2000. Based on current trends, 87 percent of individual income tax returns will be filed on "paper" in 1994, with 13 percent to be filed electronically. Paper returns are expected to drop to 77 percent by 2000, with electronically-filed returns increasing to 23 percent.

### Some Observations and Insights



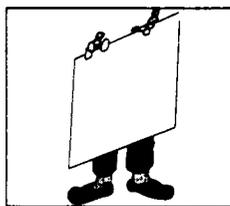
As we continue to commemorate 80 years of Statistics of Income data with this issue of the *Bulletin*, we are not only looking back to the rich history that preceded those of us who are a part of SOI today, but we are also taking

time to look ahead to and plan for the future. One area in particular that has been getting some attention in this respect during the past year is the Statistical Information Services (SIS) office, which plays a vital role in disseminating the statistical products and services of the Division.

Since its inception in early 1989, the SIS office, staffed by subject-matter experts, has mainly used manual procedures to carry out its functions. These procedures have become burdensome as the data available have grown and requests have become more demanding. The recent SOI computer modernization has led to the examination of more efficient methods to enhance the services provided by SIS. As a result, we are now working with a contractor to evaluate SIS business processes and to determine how to improve them via implementation of a new, automated system, which can access the data you request. The project involves conducting a "needs analysis;" carrying out a technical requirements analysis; planning for a pilot system and implementing it; and, then, evaluating the resulting system, in order to achieve the ultimate goal of a local area network (LAN)-based information storage, retrieval, and transmission system.

We expect to reap many benefits through the automation of the Statistical Information Services office and you, as customers, stand to benefit as a result. The new system will eliminate many of the inefficiencies of our current system by improving the timeliness, quality, and scope of our responses, which has been and continues to be our top priority.

### Behind the Scenes



The SOI Consultants' Panel held its regular semi-annual meeting in October at the SOI Division's 500 North Capitol Street, NW, location, instead of its usual meeting site at The Brookings Institution. The all-day session was chaired by

**Henry Aaron**, Director of The Brookings Institution's Economic Studies Program. Acting Director of SOI Division, **Dan Skelly**, also assisted in chairing the fully-packed agenda.

The Panel is now in its eighth year and was originally formed so that we at SOI could gain more direct and systematic feedback from some of our principal customers. The Panel members are experts in taxation, economics, statistics and demography, from both the public and private sectors. For this meeting, there were about 45 people in attendance -- the Panel members, themselves, and representatives from Treasury's Office of Tax Analysis, the Congressional Joint Committee on Taxation, Bureau of Economic Analysis, Office of Management and Budget, Congressional Budget Office, Bureau of the Census, Revenue Canada Taxation, IRS Research Division, and academia. Our former Director, **Fritz Scheuren**, also attended, as well as a large number of SOI staff members.

The first half of the day focussed on four main areas. To begin with, updates on SOI Programs, including recent project enhancements, new publications, and initiatives planned for FY 1994 were presented for each major subject area by **Karen Cys, Dave Paris, Jim Hobbs, Mike Leszcz and Tom Petska**. Then, **Bruce Davie** presented an overview of Federal excise taxes. **Bill Lefbom** spoke about restructuring the way industry codes are captured for SOI. **Wayne Thomas**, the director of IRS' Research Division, talked about market segmentation in the 1995 IRS Taxpayer Compliance Measurement Program.

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The afternoon session had more of a hands-on flavor to it by offering Panel attendees their choice of the following demonstrations to view:

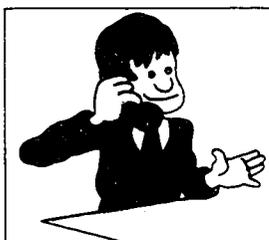
- **Rich Esposito and Kevin Tidemann**, of the Bureau of Labor Statistics, **assisted by Pat Ptacek**, demonstrated the Automated Review of Industry Employment Statistics (ARIES) system. ARIES is a graphical and query PC-based system to review estimates and sample data for the BLS Current Employment Statistics Program. The demo also featured a look at further enhancements to the system known as ARIES II.
- SOI staff members **Jill Miller and John Bradford** demonstrated the Information Engineering Facility (IEF) system, a CASE (Computer-Aided Software Engineering) tool which SOI is using in developing the Interest Charge-Domestic International Sales Corporations, Foreign Sales Corporations, and U.S. Possessions Corporations computer processing systems.
- SOI Individual on-line tax return processing system (Early Tax Estimates) was demonstrated by **Marty Shiley and Mike Strudler** of SOI. This on-line system is for processing tax returns in the individual SOI sample, including those returns comprising "early tax estimates" (for TY 1992, subsets of returns filed from January 1 through April 30, 1993).

The final segment of the agenda was devoted to the 80th Anniversary of SOI data, featuring a 30-minute video, narrated by **Marty Bloom**, a former SOI staff member, which documents the history of the SOI Division. **Bob Wilson** also described plans for commemorating 80 years of SOI data through various articles to be published in future issues of the *SOI Bulletin*.

The success of the Panel meeting was evident from the productive discussions following each of the activities described above -- both formally, at the conference table, itself, and informally among the meeting participants during the breaks and at the end of the scheduled meeting time.

The overall coordination for the meeting was handled by **Ruth Schwartz**, assisted by **Nancy Dutton** and other SOI Division staff.

## Your Call



Now that we've given you a look ahead at the plans for the Statistical Information Services office (see **Some Observations and Insights**, above), let's take a look at what's been happening there in the past year. The volume

of requests for information continues to rise -- up nearly 15% over last year -- keeping our staff quite busy. What kind of requests did we answer in 1993? The table below provides a summary.

Inquirer	Telephone	Written request
Total	100.0%	100.0%
Consultant/researcher	21.8	17.3
Accounting firm	2.6	3.8
Association	5.6	10.1
Law firm	2.6	1.6
Other private business	7.4	9.1
College	5.5	16.3
Public library	0.8	1.2
Private citizen	9.7	17.3
State/local Government	7.0	9.9
Internal Revenue Service	13.5	1.4
Congressional	6.4	5.0
Other Federal Government	9.0	1.8
Foreign	0.5	2.2
Media	5.4	2.0
Student	2.2	0.8
Other	-	-

Note: Detail may not add to totals because of rounding.

In the 12-month period January through December 1993, a total of 4,703 inquiries were handled -- 89.5% were received by telephone; written requests accounted for the remaining 10.5% of the inquiries. Questions about the availability of SOI data, other statistical services, or release dates for new publications can usually be directly handled by the SIS staff. Inquiries concerning technical details about a project will be referred to a subject-matter specialist in one of the the SOI program branches. The most recent list of the names of these specialists, along with a description of their projects, appears in the back of each issue of the *SOI Bulletin* in the **Projects and Contacts** list.

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Furthermore, we're glad to report that although we are not yet fully automated, we must be doing something right. The staff continues to receive many letters of appreciation from its customers for the timely and competent services provided -- even one from the Commissioner, as a result of a letter she received from a satisfied customer. We thank you for your support and we're looking forward to serving you in 1994!

### **SOI Electronic Bulletin Board: Update**

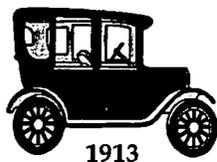
The latest IRS-SOI public-use statistical tables can be obtained through a PC, modem, and a telephone using the SOI electronic bulletin board system (BBS). At last count, this menu-driven BBS had over 308 files available for access, containing public statistics on individuals (including individual data by state, and by county in each state), corporations, partnerships, sole proprietorships, estates, tax-exempt organizations, private foundations, as well as files on personal wealth and international topics, Census Bureau State-to-State migration data, papers written by SOI staff members, and excerpts from the monthly *SOI Newsletter*.

To date over 2,000 users have logged onto the system. These users include other IRS employees, other Federal Government employees, State and local Governments, businesses, educational institutions, the media and private citizens. Collectively, they have downloaded over 2,700 files since June 1992, when the BBS was started.

To access the BBS, dial (202) 874-9574 for analog telephone systems (most phones are this type) and (202) 874-0408 for digital systems. For assistance, contact Jim Willis, the system operator, on his voice line at (202) 874-0408.

## **80 Years of Income Tax Statistics**

### **A Brief History of Tax Administration**



1913

The history of tax administration in the United States began long before the 1913 income tax. The need to raise revenue to pay off the Revolutionary War debt and finance other

Federal activities prompted passage of the first internal taxes. Through the Revenue Act of 1791, Congress imposed excise taxes on distilled spirits and tobacco products.

This brought with it the establishment of a position for a "Commissioner of the Revenue" in the Department of the Treasury. Three years after enactment of the famed "whiskey tax," farmers in western Pennsylvania rose up in

the first major confrontation between the citizenry and its new centralized government. The Whiskey Rebellion prompted President Washington to call up the militia in an historic demonstration of the authority of the Nation through the enforcement of its revenue laws.

The need to raise revenue during the Civil War prompted Congress to establish the Bureau of Internal Revenue in 1862. This new organization was given responsibility for collection of all internal taxes. Over the years, this has included responsibilities ranging from breaking up illegal stills to auditing income tax returns to tracking illegal drug profits.

The enactment of the income tax in 1913 and the dramatic expansion of the tax base in World War II brought the most sweeping changes to our system of internal taxation in the twentieth century. The introduction of "pay-as-you-go," or withholding, in 1943 revolutionized collection of the income tax and has fostered the success of today's voluntary compliance system of taxation in the United States.

The Bureau of Internal Revenue was renamed Internal Revenue Service in 1953.

### **80th Anniversary Article**

This issue of the *Bulletin* includes the second in our series of special articles for the celebration of the eightieth year of Statistics of Income data. Our lead article this time is entitled "Statistics of Income Studies of International Income and Taxes," by **Sarah Nutter**. The statistics SOI has published on international income and taxes are another part of the history of the Federal income tax and, in turn, a part of the history of the Nation's economy.

In the very beginning, SOI reports were based on income tax returns filed by individuals and corporations. Single reports which contained annual data for these types of returns were published beginning with Calendar Year 1916 (although the initial volume included some information for 1913-1915, as well) through 1933. Later years saw increases in both the volume of statistics and in the types of returns covered in response to user needs. The separate reports on individuals and corporations were followed by a number of other SOI reports and supplements, particularly during the 1960's and 1970's. A contributing factor was the increasing tendency for new provisions of the tax law to require separate reports to Congress by the Department of the Treasury, which first required new SOI data. Frequently, SOI supplements resulted as a by-product. In the early 1960's, one of the areas of interest requiring special statistics was international income and taxes.

Historically, the main users of our international

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studies have been the Treasury's Office of Tax Analysis and the Congressional Joint Committee on Taxation. Increasingly, however, there has been interest in this area by other government agencies, universities, trade associations, corporate tax departments and private citizens. To meet the growing demand, the international program has grown over the years to the current level of sixteen ongoing studies.

The SOI Division now plans and conducts international studies in two broadly-defined areas. These areas are foreign investment and activity abroad by U.S. "persons" and, conversely, investment and activity in the United States by foreign "persons." (A U.S. person is any citizen or resident of the United States, a domestic partnership or corporation, and any estate or trust that is not considered foreign. A foreign person is any person who is not a U.S. person.) Articles which present statistics on topics in the international area regularly appear in this *Bulletin*. In addition, readers interested in this subject matter may wish to look up the following:

- *Compendium of Studies of International Income and Taxes, 1979-1983* (Publication 1267); and

- *Compendium of Studies of International Income and Taxes, 1984-1988* (Publication 1267).

### Upcoming Features

The following are some of the articles planned for inclusion in upcoming issues of the *SOI Bulletin*:

- Individual Income Tax Returns, Preliminary Data, 1992;
- Individual Income Tax Returns, 80 Years of Statistics, 1913-1992;
- Individual Income Tax Rates and Tax Shares, 1990;
- Foreign Recipients of U.S. Income, 1991;
- Trends in Business Activity, 1980-1990; and
- Trends in Delinquent Returns, 1979-1988.

Future "data releases" include:

- Corporate Foreign Tax Credit by Industry, 1990.

# Revisions to the Fall 1993 Issue

## Partnership Returns, 1991

### *On pages 94-96:*

The portion of Table 1 relating to "trade or business" deductions is reproduced to correct the amounts presented for depreciation. The revised amounts totaling \$19.1 billion, however, represent only that depreciation shown as a deduction on the partnership return income statement for trade or business activities. In contrast, the grand total of all depreciation claimed by partnerships, obtained from depreciation computation schedules, was \$58.1 billion (see Table 11 in the historical statistics toward the end of this issue). This total includes not only the \$19.1 billion, but also the depreciation deducted separately on the rental real estate income-reporting schedule, \$31.6 billion (see Table 3 of the partnership article), and depreciation claimed in connection with farming activities, \$1.5 billion. (Only the net income from farming, which is after subtraction of farming deductions including depreciation, is shown in the tax return income statement for trade or business activities.) Also included in the grand total obtained from depreciation computation schedules is \$5.9 billion for depreciation reported elsewhere on the partnership return which could not be readily identified for the deduction statistics.

### *On pages 94-112:*

In using the Table 1 statistics for trade or business deductions, the components of the computation of the cost of sales and operations do not reconcile with the totals shown because not all partnerships reported these components on the return as filed and no attempt was made to obtain them for the statistics.

Also, the statistics for net income (less deficit) in Table 1 are the sum of the following four components reported on the partnership return: net income (less deficit) from a trade or business, real estate rental net income (less deficit), net income (less deficit) from other rental activities, and portfolio income (less loss). However, in the case of portfolio income, the component statistics include net short-term and net long-term capital gains, even though these gains are excluded from total partnership net income (less deficit). Omitting these gains from the total net income statistics starting with 1987 improves the comparability of the statistics with those for earlier years. (For the earlier years, there was a single consolidated income statement on the partnership return which excluded income allocated directly to partners, such as capital gains.)

Table 1.—Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income and Total Net Income, by Selected Industrial Groups

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

Income status, item	All industries	Agriculture, forestry and fishing								
		Total	Farms							
			Total	Field crop	Vegetable and melon	Fruit and tree nut	Beef cattle feedlots	Beef cattle, except feedlots	Hogs, sheep and goats	Dairy farms
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<b>PARTNERSHIPS WITH AND WITHOUT NET INCOME</b>										
Total deductions, trade or business.....	490,432,721	10,891,652	5,371,247	1,435,281	216,788	833,504	461,511	660,011	270,488	525,078
Cost of sales and operations.....	236,500,500	5,308,872	1,928,854	375,441	188,734	174,355	368,632	242,938	136,371	27,857
Inventory, beginning of year.....	43,652,870	504,427	331,996	121,924	2,585	58,048	68,293	48,482	5,955	5,693
Purchases.....	134,086,152	3,366,183	1,363,214	283,811	59,272	120,750	354,225	220,778	81,630	28,151
Cost of labor.....	14,188,250	317,796	79,915	34,101	1,036	17,901	782	294	3,586	--
Additional inventory costs (section 263A).....	2,480,289	43,553	--	--	--	1,937	4,352	--	307	--
Other costs.....	81,294,468	1,514,975	448,185	58,374	129,212	53,262	7,277	15,337	51,364	--
Less: Inventory, end of year.....	42,804,203	560,913	353,318	122,452	3,371	77,540	86,297	51,752	6,470	5,987
Salaries and wages.....	57,907,843	456,573	137,769	44,569	2,134	30,111	13,839	5,442	3,746	1,096
Less: Jobs credit.....	--	17,805	--	--	--	--	--	--	--	--
Guaranteed payments to partners.....	9,849,016	763,967	641,344	272,614	1,050	21,541	346	44,892	38,513	171,332
Rent paid.....	13,892,816	85,027	29,070	14,835	261	5,112	2,236	1,388	141	2,406
Interest paid.....	27,973,593	312,266	113,051	23,631	2,505	50,670	9,372	7,291	5,387	1,856
Taxes paid.....	9,863,080	121,850	33,841	10,429	329	10,664	1,553	1,293	664	434
Bad debts.....	2,713,892	11,831	6,584	955	87	1,226	235	1,641	1,497	--
Repairs.....	3,575,463	109,625	41,739	12,922	238	7,560	3,777	2,047	1,293	768
Depreciation.....	19,090,651	268,731	120,202	17,588	526	32,079	5,880	11,614	8,088	2,531
Depletion.....	305,490	1,223	833	292	--	--	--	113	--	427
Pension, profit sharing, annuity and bond purchase plans.....	1,341,535	7,567	1,901	691	37	367	204	395	--	--
Employee benefit plans.....	3,049,236	13,646	2,556	832	34	624	653	--	19	--
Net loss from other partnerships and fiduciaries.....	7,312,918	111,753	38,771	4,590	18	18,126	673	1,306	--	4,870
Farm net loss.....	1,854,389	1,798,897	1,694,394	501,028	13,741	348,107	29,563	287,241	64,366	254,476
Net loss, noncapital assets.....	377,689	34,016	31,003	4,191	11	--	--	1,032	2,440	22,932
Other deductions.....	95,042,416	1,486,007	551,335	150,892	7,104	132,961	24,448	51,579	7,966	34,094
<b>PARTNERSHIPS WITH NET INCOME</b>										
Total deductions, trade or business.....	302,365,838	6,394,971	2,343,090	666,205	187,732	306,634	356,675	181,613	87,190	135,929
Cost of sales and operations.....	156,442,660	4,015,369	1,426,712	310,414	169,851	123,050	306,871	132,679	59,770	10,511
Inventory, beginning of year.....	20,484,612	351,126	226,989	113,656	2,585	43,575	39,996	7,535	954	1,866
Purchases.....	95,376,030	2,668,815	1,058,330	236,447	41,814	90,473	290,393	134,294	59,190	10,557
Cost of labor.....	9,229,329	213,176	56,708	33,226	1,036	9,200	782	294	86	--
Additional inventory costs (section 263A).....	1,687,709	10,663	4,192	--	--	1,937	2,256	--	--	--
Other costs.....	48,196,243	1,060,060	287,846	42,120	127,788	41,281	7,277	688	--	--
Less: Inventory, end of year.....	20,867,180	391,182	247,819	116,719	3,371	63,416	33,833	10,131	460	1,913
Salaries and wages.....	43,835,860	362,885	95,684	40,510	2,134	25,091	11,428	1,714	1,273	1,096
Less: Jobs credit.....	--	12,604	--	--	--	--	--	--	--	--
Guaranteed payments to partners.....	6,976,748	358,584	255,016	85,247	1,050	13,493	33	16,905	16,853	103,131
Rent paid.....	10,213,529	68,616	21,457	12,776	261	3,888	1,268	120	84	2,298
Interest paid.....	11,886,543	194,064	59,288	21,883	2,204	17,791	7,030	2,480	381	1,856
Taxes paid.....	6,108,105	74,052	21,849	8,893	326	6,031	1,276	826	332	228
Bad debts.....	923,925	6,991	3,671	955	67	28	235	--	1,497	--
Repairs.....	2,093,028	83,634	25,550	10,752	238	4,242	2,278	943	629	226
Depreciation.....	7,575,432	131,683	43,490	9,805	507	12,293	5,343	2,288	510	1,237
Depletion.....	203,698	1,110	719	292	--	--	--	--	--	427
Pension, profit sharing, annuity and bond purchase plans.....	1,146,337	4,598	1,525	691	37	359	172	74	--	--
Employee benefit plans.....	2,063,185	8,971	1,854	828	34	50	548	--	--	--
Net loss from other partnerships and fiduciaries.....	393,222	6,349	2,635	1,758	18	673	107	--	--	--
Farm net loss.....	118,929	92,262	83,772	38,883	4,248	12,713	--	8,166	2,795	9,843
Net loss, noncapital assets.....	54,955	1,931	1,594	181	11	--	--	886	140	--
Other deductions.....	52,342,285	983,872	298,274	122,536	6,747	87,605	21,520	14,444	2,928	5,078

**Table 1.—Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income and Total Net Income, by Selected Industrial Groups—Continued**

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

Income status, item	Agriculture, forestry and fishing—Continued				Mining			Construction	
	Farms—Continued			Agricultural services, forestry and fishing	Total	Oil and gas extraction	Other mining	Total	General contractors
	Poultry and eggs	General livestock, including animal specialty	Other farms						
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	
<b>PARTNERSHIPS WITH AND WITHOUT NET INCOME</b>									
<b>Total deductions, trade or business</b> .....	<b>223,917</b>	<b>463,909</b>	<b>280,760</b>	<b>5,520,405</b>	<b>19,954,974</b>	<b>14,973,523</b>	<b>4,981,452</b>	<b>25,652,497</b>	<b>18,758,958</b>
Cost of sales and operations.....	168,175	173,339	71,013	3,382,018	9,882,299	6,215,325	3,666,974	20,837,076	16,299,441
Inventory, beginning of year.....	6,491	2,161	12,367	172,432	879,975	423,197	458,778	3,039,248	2,889,691
Purchases.....	40,191	145,893	28,513	2,002,969	4,921,003	4,332,035	588,968	5,694,975	3,237,542
Cost of labor.....	5,565	3,092	13,559	237,881	586,262	120,495	465,767	1,730,575	977,962
Additional inventory costs (section 263A).....	--	--	--	36,957	32,584	7,970	24,614	100,110	92,585
Other costs.....	82,704	23,234	29,422	1,066,790	4,238,576	1,661,983	2,576,593	12,006,348	10,744,041
Less: Inventory, end of year.....	5,557	1,041	12,848	207,597	814,625	368,838	445,787	2,407,706	2,277,833
Salaries and wages.....	5,660	9,805	21,368	318,804	326,305	256,552	69,753	799,532	330,133
Less: Jobs credit.....	--	--	--	--	--	--	--	22	21
Guaranteed payments to partners.....	12,541	22,231	56,483	122,623	249,703	215,919	33,784	636,246	281,356
Rent paid.....	155	777	1,962	55,957	131,218	106,748	22,470	154,280	84,570
Interest paid.....	3,309	1,988	7,042	199,215	739,578	619,922	119,656	408,168	321,467
Taxes paid.....	1,819	2,759	3,897	88,009	653,279	554,006	99,274	194,393	83,387
Bad debts.....	--	74	890	5,047	17,712	12,967	4,745	18,340	9,968
Repairs.....	4,967	3,498	4,668	67,886	111,361	72,357	39,004	115,960	39,245
Depreciation.....	6,659	18,320	16,938	148,528	1,700,383	1,493,462	206,920	269,666	94,101
Depletion.....	--	--	--	391	222,168	31,536	190,631	2,175	1,794
Pension, profit sharing, annuity and bond purchase plans.....	191	--	15	5,667	10,775	7,999	2,775	7,326	5,178
Employee benefit plans.....	304	5	85	11,090	21,811	14,956	6,855	36,096	15,884
Net loss from other partnerships and fiduciaries.....	--	9,188	--	72,982	172,426	116,725	55,701	154,632	154,588
Farm net loss.....	9,410	140,296	48,167	104,503	7,492	--	--	407	407
Net loss, noncapital assets.....	--	43	353	3,013	24,739	15,753	8,986	1,382	1,169
Other deductions.....	10,826	81,585	49,879	934,672	5,683,725	5,229,803	453,922	2,014,850	1,036,492
<b>PARTNERSHIPS WITH NET INCOME</b>									
<b>Total deductions, trade or business</b> .....	<b>136,578</b>	<b>165,060</b>	<b>117,474</b>	<b>4,051,881</b>	<b>12,657,127</b>	<b>9,725,591</b>	<b>2,931,536</b>	<b>18,978,115</b>	<b>13,760,767</b>
Cost of sales and operations.....	118,565	148,703	48,299	2,588,657	7,692,715	5,433,409	2,259,307	15,782,641	12,276,701
Inventory, beginning of year.....	6,289	1,582	8,952	124,137	510,114	374,118	135,996	1,356,818	1,265,544
Purchases.....	24,779	144,551	25,832	1,610,484	4,252,858	3,889,195	363,663	4,365,804	2,376,066
Cost of labor.....	2,631	74	9,379	156,468	362,232	114,821	247,411	1,246,887	730,759
Additional inventory costs (section 263A).....	--	--	--	6,471	30,597	7,970	22,627	61,604	59,518
Other costs.....	51,320	1,372	16,001	772,213	2,956,392	1,331,312	1,625,060	9,319,577	8,361,588
Less: Inventory, end of year.....	5,236	876	11,864	143,363	435,548	300,038	135,510	1,045,880	956,522
Salaries and wages.....	783	2,950	8,705	267,201	214,566	177,231	37,335	628,490	261,930
Less: Jobs credit.....	--	--	--	--	--	--	--	10	10
Guaranteed payments to partners.....	3,846	3,709	10,749	103,568	201,178	199,886	1,292	392,176	160,158
Rent paid.....	39	237	485	47,159	109,590	89,617	19,973	119,348	68,244
Interest paid.....	479	372	4,813	134,776	468,670	418,090	50,579	185,728	137,689
Taxes paid.....	925	441	2,571	52,203	373,888	307,663	66,225	136,738	52,980
Bad debts.....	--	--	890	3,320	10,179	8,970	1,209	9,599	2,572
Repairs.....	2,154	386	3,702	58,083	76,783	68,250	8,533	78,419	28,404
Depreciation.....	3,850	441	7,617	88,193	602,191	522,079	80,112	188,226	68,884
Depletion.....	--	--	--	391	177,150	30,089	147,061	2,175	1,794
Pension, profit sharing, annuity and bond purchase plans.....	191	--	--	3,073	10,312	7,894	2,418	6,250	4,525
Employee benefit plans.....	303	5	85	7,117	18,750	13,460	5,290	28,465	10,892
Net loss from other partnerships and fiduciaries.....	--	79	--	3,715	24,900	5,770	19,131	7,453	7,408
Farm net loss.....	--	4,022	3,103	8,490	7,234	7,234	--	361	361
Net loss, noncapital assets.....	--	43	353	338	10,545	1,626	8,919	434	222
Other deductions.....	5,643	5,672	26,102	685,598	2,658,476	2,434,323	224,154	1,411,625	678,214

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

# Revisions to the Fall 1993 Issue

On pages 123-124:

The section of Table 5 on the combined net income (less deficit) of partnerships is augmented by separate sections on net income and deficit which were inadvertently omitted. The entire table is reprinted here.

**Table 5--Number of Partnerships, Partners, and Net Income and Deficit, by Selected Industrial Groups, Tax Years 1985-1991**

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

Item, selected industry	1985	1986	1987	1988	1989	1990	1991	Percentage increase	
								1990-1991	1985-1991
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Number of partnerships</b>									
All Industries <sup>1</sup> .....	1,713.6	1,702.9	1,648.0	1,654.2	1,635.2	1,553.5	1,515.3	-2.5	-11.6
Agriculture, forestry and fishing.....	135.9	147.5	148.9	122.0	131.1	125.0	127.0	1.6	-6.5
Mining.....	62.4	53.1	59.9	48.1	45.5	40.9	39.0	-4.6	-37.5
Oil and gas extraction.....	55.8	48.8	53.5	45.3	42.5	38.6	34.1	-11.7	-38.9
Construction.....	56.7	61.4	62.4	74.6	62.0	59.5	57.2	-3.9	0.9
Manufacturing.....	30.0	27.5	34.7	25.9	26.3	28.3	24.0	-15.2	-20.0
Transportation and public utilities.....	25.0	21.1	29.8	20.4	22.5	25.2	26.1	3.6	4.4
Communications.....	7.6	8.2	10.2	8.9	9.9	6.4	6.7	4.7	-11.8
Wholesale and retail trade.....	200.5	174.1	184.8	179.0	173.2	175.9	171.0	-2.8	-14.7
Finance, insurance and real estate.....	843.9	852.7	827.5	868.9	852.5	822.3	803.8	-2.5	-4.8
Real estate operators and lessors of buildings.....	582.5	602.2	585.1	591.3	589.8	563.9	545.2	-3.3	-6.4
Holding and investment companies <sup>2</sup> .....	110.9	107.4	89.3	102.2	99.3	90.4	91.3	1.0	-17.7
Services.....	341.3	325.1	291.5	296.4	299.4	267.3	260.4	-2.6	-23.7
Hotels and other lodging places.....	21.8	25.9	24.7	21.9	20.6	20.2	24.6	21.8	12.8
Legal services.....	30.8	30.0	25.2	23.4	30.9	22.4	22.9	2.2	-25.6
<b>Number of partners</b>									
All Industries <sup>1</sup> .....	13,244.8	15,228.5	16,963.3	17,291.2	18,431.9	17,095.0	15,801.0	-7.6	19.3
Agriculture, forestry and fishing.....	584.8	642.3	592.3	554.7	591.1	502.7	551.7	9.7	-5.7
Mining.....	2,207.1	2,350.6	2,742.3	2,466.7	2,770.9	2,148.8	1,414.5	-34.2	-35.9
Oil and gas extraction.....	2,130.8	2,270.1	2,660.6	2,429.5	2,723.7	2,114.8	1,359.5	-35.7	-36.2
Construction.....	134.0	137.4	153.2	179.0	164.9	161.5	151.7	-6.1	13.2
Manufacturing.....	105.0	107.7	177.8	173.4	185.2	246.2	175.2	-28.8	66.9
Transportation and public utilities.....	186.3	223.3	428.9	433.4	434.6	503.4	519.1	3.1	178.6
Communications.....	124.6	171.2	347.2	364.2	351.2	344.0	365.8	6.3	193.6
Wholesale and retail trade.....	492.5	408.6	476.0	490.5	495.8	480.9	447.8	-6.9	-9.1
Finance, insurance and real estate.....	7,754.6	9,459.5	10,327.4	10,879.7	11,326.5	10,846.2	10,316.5	-4.9	33.0
Real estate operators and lessors of buildings.....	5,185.7	6,524.1	6,792.1	6,931.1	6,492.0	6,259.5	6,226.5	-0.5	20.1
Holding and investment companies <sup>2</sup> .....	1,114.3	1,399.8	2,056.7	2,035.4	2,385.2	2,475.0	2,355.9	-4.8	111.4
Services.....	1,713.1	1,744.3	2,041.8	2,060.4	2,369.7	2,153.2	2,206.5	2.5	28.8
Hotels and other lodging places.....	189.6	199.1	486.1	316.4	320.4	306.3	280.9	-8.3	48.2
Legal services.....	132.9	142.5	127.9	153.9	155.8	130.0	125.7	-3.3	-5.4
<b>Net Income (less deficit)</b>									
All Industries <sup>1,2</sup> .....	-8.9	-17.4	-5.4	14.5	14.1	16.6	21.4	28.9	340.4
Agriculture, forestry and fishing.....	-1.0	-0.9	2.0	1.1	1.4	1.7	1.7	--	270.0
Mining.....	1.5	-3.5	-0.1	0.9	2.0	2.2	0.8	-63.6	-46.7
Oil and gas extraction.....	2.3	-2.7	-1.3	0.5	1.7	2.0	0.6	-70.0	-73.9
Construction.....	2.2	2.5	2.8	3.3	2.6	1.9	1.5	-21.1	-31.8
Manufacturing.....	-1.1	-0.5	0.8	1.5	1.4	1.2	0.9	-25.0	181.8
Transportation and public utilities.....	-3.1	-3.0	-3.8	-2.3	-2.0	-0.1	-1.4	-1,300.0	54.8
Communications.....	-3.5	-3.2	-3.9	-2.8	-2.3	-1.9	-2.0	-5.3	42.9
Wholesale and retail trade.....	2.0	2.3	2.7	3.4	2.5	2.6	2.6	--	30.0
Finance, insurance and real estate.....	-25.9	-33.0	-26.8	-19.3	-20.8	-19.2	-12.8	33.3	50.6
Real estate operators and lessors of buildings.....	-26.2	-32.8	-33.1	-31.3	-30.1	-25.4	-18.6	26.8	29.0
Holding and investment companies <sup>2</sup> .....	2.0	2.2	6.4	9.0	8.8	6.7	7.6	13.4	280.0
Services.....	16.5	18.6	18.1	25.6	26.7	26.5	28.0	5.7	70.0
Hotels and other lodging places.....	-3.4	-4.3	-4.9	-4.2	-5.4	-4.9	-4.3	12.2	-26.5
Legal services.....	10.7	11.9	11.6	15.2	16.6	16.3	16.9	3.7	57.9

Footnotes at end of table.

# Revisions to the Fall 1993 Issue

**Table 5--Number of Partnerships, Partners, and Net Income and Deficit, by Selected Industrial Groups, Tax Years 1985-1991--Continued**

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

Item, selected industry	1985	1986	1987	1988	1989	1990	1991	Percentage increase	
								1990-1991	1985-1991
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Net income</b>									
<b>All Industries<sup>1,3</sup></b> .....	<b>77.0</b>	<b>80.2</b>	<b>87.7</b>	<b>111.4</b>	<b>113.9</b>	<b>116.3</b>	<b>113.4</b>	<b>-2.5</b>	<b>47.3</b>
Agriculture, forestry and fishing.....	2.8	2.7	4.5	3.8	3.7	3.9	4.0	2.6	42.9
Mining.....	7.9	5.2	0.6	6.6	7.0	7.0	5.3	-24.3	-32.9
Oil and gas extraction.....	7.3	4.7	5.1	5.7	6.2	6.3	4.7	-25.4	-35.6
Construction.....	2.7	3.2	3.4	3.9	3.3	3.0	2.6	-13.3	-3.7
Manufacturing.....	1.2	1.5	2.5	3.6	4.2	4.8	4.9	2.1	300.0
Transportation and public utilities.....	1.4	1.7	2.0	3.0	3.7	5.9	4.7	-20.3	235.7
Communications.....	0.4	0.8	1.2	2.0	2.5	4.0	1.7	-57.5	325.0
Wholesale and retail trade.....	3.5	3.7	4.2	4.7	4.6	4.7	4.7	--	34.3
Finance, insurance and real estate.....	30.4	32.5	36.1	47.8	47.8	47.6	47.6	--	56.6
Real estate operators and lessors of buildings.....	17.0	17.8	17.0	20.1	22.2	22.4	22.1	-1.3	30.0
Holding and investment companies <sup>2</sup> .....	6.6	7.4	10.0	14.1	13.6	11.8	13.4	13.6	103.0
Services.....	27.0	29.0	29.1	37.5	39.3	39.4	39.6	0.5	46.7
Hotels and other lodging places.....	0.9	0.8	0.9	1.9	1.3	1.3	1.3	--	44.4
Legal services.....	10.7	12.1	11.8	15.3	16.8	16.5	17.0	3.0	58.9
<b>Net deficit</b>									
<b>All Industries<sup>1,3</sup></b> .....	<b>85.9</b>	<b>97.6</b>	<b>93.1</b>	<b>96.9</b>	<b>99.8</b>	<b>99.7</b>	<b>92.0</b>	<b>-7.7</b>	<b>7.1</b>
Agriculture, forestry and fishing.....	3.8	3.7	2.5	2.7	2.3	2.2	2.3	4.5	-39.5
Mining.....	6.4	8.7	0.7	5.7	5.1	4.8	4.5	-6.3	-29.7
Oil and gas extraction.....	5.0	7.3	6.4	5.2	4.5	4.3	4.0	-7.0	-20.0
Construction.....	0.5	0.7	0.6	0.6	0.7	1.1	1.1	--	120.0
Manufacturing.....	2.3	2.0	1.7	2.1	2.8	3.6	4.0	11.1	73.9
Transportation and public utilities.....	4.4	4.7	5.8	5.2	5.7	6.0	6.1	1.7	38.6
Communications.....	3.9	4.0	5.2	4.7	4.8	5.5	3.7	-32.7	-5.1
Wholesale and retail trade.....	1.5	1.4	1.5	1.4	2.0	2.1	2.1	--	40.0
Finance, insurance and real estate.....	56.3	65.5	62.8	67.1	68.6	66.8	60.4	-9.6	7.3
Real estate operators and lessors of buildings.....	43.2	50.6	50.1	51.5	52.2	47.8	40.7	-14.9	-5.8
Holding and investment companies <sup>2</sup> .....	4.6	5.2	3.6	5.2	4.7	5.1	5.9	15.7	28.3
Services.....	10.4	10.5	11.0	11.9	12.6	12.9	11.6	-10.1	11.5
Hotels and other lodging places.....	4.2	5.1	5.8	6.1	6.8	6.2	5.6	-9.7	33.3
Legal services.....	(4) <sup>4</sup>	0.2	0.1	0.1	0.2	0.2	0.1	-50.0	900.0

<sup>1</sup> Includes "Nature of business not allocable," not shown separately.

<sup>2</sup> Excludes investment clubs and common trust funds.

<sup>3</sup> Starting with 1987, net income (less deficit) is the sum of net income from trade or business, portfolio income distributed directly to partners (excluding net short-term and net long-term capital gains and losses), rental real estate income (less deficit) and net income (less deficit) from other rental activity. For 1986 and earlier years, represents net income (less deficit) from trade or business, broadly defined to include most of the categories itemized starting with 1987; however, portfolio income distributed directly to partners is specifically excluded.

<sup>4</sup> Under \$0.05 billion.

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

# Statistics of Income Studies of International Income and Taxes

by Sarah E. Nutter

United States exports (goods, services and investment income) doubled from 1983 to 1992, growing from \$350.8 billion to \$730.5 billion; U.S. imports also doubled during this period, increasing from \$377.9 billion to \$764.0 billion [1]. This surge in U.S. imports and exports was accompanied by an increased interest in international tax information. As interest continues to grow, Statistics of Income (SOI) continues to collect and publish data related to international transactions from Federal tax returns. Currently, Statistics of Income regularly conducts sixteen descriptive studies of international income and taxes [2]. The diversity of these international descriptive studies is highlighted in the overview provided in Table 1.

As noted in Table 1, the descriptive studies provide information about the international transactions of five types of legal entities: individuals, partnerships, corporations, estates, and trusts. The transactions of corporations are the primary focus of nine of the sixteen international studies while two focus on individuals. Three provide information about the U.S. source income of foreign "persons" (i.e., entities) and the U.S. tax withheld by third-parties on behalf of these foreign persons. The final two provide information about nonresident alien estates and foreign trusts.

The international descriptive studies provide information about both the U.S. activity of foreign persons and the foreign activity of U.S. persons. A U.S. person is any citizen or resident of the United States, a domestic partnership or corporation, or any estate or trust that is not considered foreign [3]. A foreign person is any person not considered a U.S. person. U.S. and foreign persons may be taxed differently under U.S. tax law. In general, U.S. persons are subject to U.S. taxation on their worldwide income, while foreign persons are subject to U.S. taxation only on that part of their income having a sufficient nexus to the United States.

The purpose of this anniversary article, written in recognition of the 80th year of the collection of statistics on taxation, is to provide an overview of the current SOI studies of international transactions and to describe the types of international information available. A complete bibliography of previously published SOI international articles is provided in Table 2. It should be noted that while this article is one of several commemorating 80 years of Statistics of Income data, most statistics on international transactions date back only to the early 1960's.

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## International Studies of Corporations

Of the nine international corporate studies, six examine the foreign activity of U.S. persons, while three provide information about the U.S. activity of foreign persons. For each, a short description is followed by an overview of the type of information that is available for analysis.

### Controlled Foreign Corporations

Direct foreign investment by U.S. persons may take several forms, including establishing foreign branches of U.S. corporations, as well as partnerships and separate corporations. For Federal income tax purposes, a foreign corporation is a "Controlled Foreign Corporation" ("CFC") if more than 50 percent of its outstanding voting stock, or more than 50 percent of the value of all its outstanding stock is owned (directly, indirectly or constructively) by "U.S. shareholders" on any day during the foreign corporation's tax year. A "U.S. shareholder" for these purposes is defined as a U.S. person that owns 10 percent or more of the foreign corporation's total combined voting stock [4]. A foreign corporation is "controlled," for SOI purposes, only if a single U.S. corporation satisfies either of the above 50 percent ownership requirements.

In general, the foreign source income of a foreign corporation is not taxable to its U.S. shareholders until repatriated. Recognizing that income could be accumulated in a CFC, thus deferring U.S. tax on this income indefinitely, Congress enacted the Subpart F provisions of the Internal Revenue Code in 1962. Currently, a U.S. shareholder of a CFC may be required to include in gross income the shareholder's ratable share of the CFC's: (1) increase in earnings invested in U.S. property, (2) "Subpart F income" (described below) and any previously excluded Subpart F income withdrawn from "qualified investments" in less developed countries and in "foreign base company" shipping operations, (3) any previously excluded "export trade income" withdrawn from investments in "qualified export assets," and (4) "factoring income" (income derived from the acquisition of a trade or service receivable) [5]. The Subpart F income of a CFC includes: (1) certain insurance income, (2) "foreign base company" income, (3) international boycott participation income, (4) the sum of illegal bribes and other payments made to Government officials that would be unlawful under the Foreign Corrupt Practices Act of 1977, and (5) income derived from a country which is not recognized by the United States, with which the United States does not conduct or has severed diplomatic relations, which repeatedly provides support for acts of international terrorism, or for tax years beginning after

## Studies of International Income and Taxes

January 1, 1988, the Republic of South Africa.

Figure A illustrates the geographical distribution of the largest 7,500 CFC's for 1988. For 1988, nearly 65 percent of these CFC's were incorporated in ten countries: the United Kingdom, Canada, West Germany, France, the Netherlands, Australia, Italy, Brazil, Bermuda, and Japan. Figure B depicts the growth in the business receipts and total assets of the CFC's over the period 1962 to 1988. Business receipts (in current dollars) climbed from approximately \$50 billion for 1962 to \$823 billion for 1988, while total assets (book value) rose from \$45 billion to approximately \$958 billion over the same time period.

U.S. shareholders of foreign corporations are currently required to file Form 5471, *Information Return of U.S. Persons with Respect to Certain Foreign Corporations*. Information is collected from all Forms 5471 attached to the tax returns of U.S. parent corporations with \$500 million or more in total assets. The Controlled Foreign Corporation study focuses primarily on the largest 7,500 foreign corporations controlled by these parent corporations. Tabular information is classified by industry, as well as by country and year of incorporation. Statistics dating back to Tax Year 1962 on Controlled Foreign Corporations are available.

### Foreign Sales Corporations

In an effort to promote U.S. exports, the Deficit Reduction Act of 1984 allowed for the creation of two new tax entities: Foreign Sales Corporations (FSC's) and Interest Charge-Domestic International Sales Corporations (IC-DISC's). These two entities were established as successors to the Domestic International Sales Corporation, which had been created by the Revenue Act of 1971 [6].

A FSC is a foreign corporation, usually controlled by a U.S. parent corporation, that has elected to be a FSC and is incorporated in a qualifying foreign country or U.S. possession (except Puerto Rico) [7]. A portion of the FSC's "foreign trade income" is treated as not "effectively connected" with the conduct of a U.S. trade or business and thus is exempt from U.S. income taxation [8]. "Foreign trade income" is income attributable to the sale or lease of "export property" outside the United States and the performance of various types of export services outside the United States.

Figures C and D illustrate the types of information available on FSC's. For 1987, FSC's reported "gross export receipts" of \$84.3 billion, foreign trade income of \$20.3 billion and net exempt income of \$2.1 billion. Overall, the 1987 numbers reflect a slight decrease from

**Figure A**

### Distribution of the 7,500 Largest Controlled Foreign Corporations, by Selected Country of Incorporation, 1988

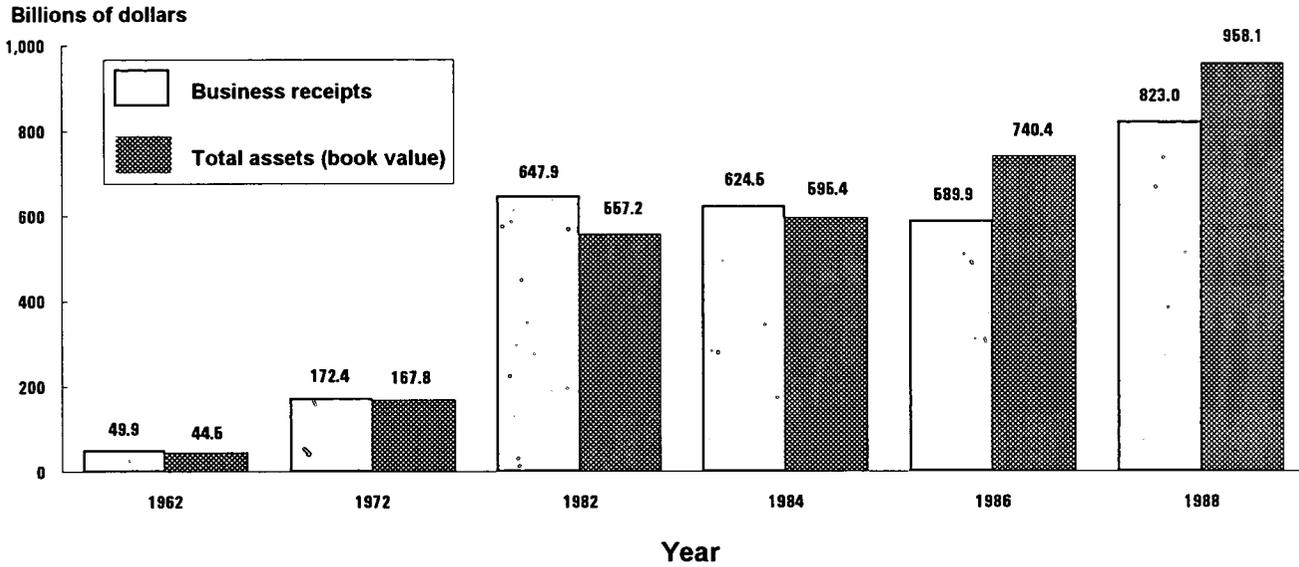
[Money amounts are in billions of dollars]

Country of incorporation	Number of largest Controlled Foreign Corporations	Percentage of Controlled Foreign Corporations	Business receipts	Percentage of business receipts
	(1)	(2)	(3)	(4)
All countries.....	7,500	100.0	823	100.0
United Kingdom.....	1,159	15.5	136	16.5
Canada.....	870	11.6	142	17.3
West Germany.....	496	6.6	92	11.2
France.....	439	5.9	54	6.6
Netherlands.....	365	4.9	36	4.4
Australia.....	347	4.6	25	3.0
Italy.....	337	4.5	35	4.3
Brazil.....	292	3.9	30	3.6
Bermuda.....	279	3.7	11	1.3
Japan.....	259	3.5	55	6.7
Switzerland.....	220	2.9	32	3.9
Belgium.....	210	2.8	21	2.6
Spain.....	210	2.8	19	2.3
Netherlands Antilles.....	182	2.4	3	0.4
Hong Kong.....	154	2.1	10	1.2
Mexico.....	118	1.6	9	1.1
Panama.....	107	1.4	8	1.0
Singapore.....	86	1.1	6	0.7
Cayman Islands.....	75	1.0	2	0.2
Ireland.....	74	1.0	4	0.5
Puerto Rico.....	69	0.9	1	0.1

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**Figure B**

## Controlled Foreign Corporation Business Receipts and Total Assets, 1962-1988 <sup>1</sup>



<sup>1</sup> Year to year comparability is affected by law changes as well as changes in Statistics of Income coverage. For example, the data for 1962 are based on all active CFC's, while statistics for 1988 are based on the largest (in assets) 7,500 CFC's.

**Figure C**

## Foreign Sales Corporations, by Selected Country of Incorporation, 1987

[Money amounts are in thousands of dollars]

Country of incorporation	Number of returns	Gross export receipts	Total income		Net exempt income	Taxable income	Income tax
			Foreign trade	Non-foreign trade			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All countries and possessions.....	2,613	84,280,131	20,287,262	206,584	2,110,930	1,291,673	505,028
<b>U.S. possessions, total <sup>1</sup>.....</b>	<b>2,085</b>	<b>63,549,649</b>	<b>16,676,633</b>	<b>196,623</b>	<b>1,629,204</b>	<b>990,842</b>	<b>389,107</b>
U.S. Virgin Islands.....	1,688	46,879,715	6,174,349	54,052	1,156,559	716,876	280,979
Guam.....	380	16,553,042	10,472,328	142,455	469,898	272,385	107,639
<b>Foreign countries, total <sup>1</sup>.....</b>	<b>528</b>	<b>20,730,481</b>	<b>3,610,628</b>	<b>9,961</b>	<b>481,725</b>	<b>300,832</b>	<b>115,921</b>
Netherlands.....	51	10,260,889	2,107,043	7,493	263,668	168,028	64,245
Jamaica.....	204	5,383,015	578,132	1,052	96,105	52,746	21,474
Barbados.....	163	4,673,668	827,803	1,416	115,171	73,830	28,362
South Korea.....	11	40,315	40,315	--	756	1,765	508

<sup>1</sup> Includes foreign countries or U.S. possessions not shown separately.

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

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**Figure D**

**Foreign Sales Corporations, by Selected Major Product or Service, 1987**

[Money amounts are in thousands of dollars]

Selected major product or service	Number of returns	Gross export receipts	Total income		Net exempt income	Taxable income	Income tax
			Foreign trade	Non-foreign trade			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All products and services.....</b>	<b>2,613</b>	<b>84,280,131</b>	<b>20,287,262</b>	<b>206,584</b>	<b>2,110,930</b>	<b>1,291,673</b>	<b>505,028</b>
Transportation equipment.....	178	23,206,536	8,112,846	648	388,310	273,635	108,809
Machinery, except electrical.....	356	13,356,565	2,368,996	11,177	389,553	219,568	85,305
Chemicals and allied products.....	173	12,209,528	3,609,331	13,571	486,454	290,436	115,524
Electrical machinery, equipment and supplies.....	536	9,746,845	1,380,614	19,372	225,805	162,018	62,795
Grains and soybeans.....	12	6,309,395	474,611	59	98,606	45,856	17,024
Tobacco manufactures.....	10	2,969,015	305,886	70	59,313	31,699	12,733
Food and kindred products.....	147	2,500,802	739,134	58,504	45,999	21,964	7,934
All other products and services.....	1,201	13,981,445	3,295,844	103,183	416,890	246,497	94,904

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

the 1986 levels. For 1986, taxpayers reported "gross export receipts" of \$85.8 billion, foreign trade income of \$21.4 billion and net exempt income of \$2.0 billion. Gross export receipts are those that the FSC and its related suppliers earned from transactions with third parties. Figure C indicates that the majority (80 percent) of FSC's were incorporated in U.S. possessions, with 65 percent incorporated in the U.S. Virgin Islands. The four largest product groups, in terms of net exempt income, accounted for 71 percent of the total net exempt income and each individually accounted for more than 10 percent of the total net exempt income reported by FSC's (Figure D). All other major product and service groups individually accounted for less than 5 percent of the total.

FSC statistics are currently produced every 4 years. The data are collected from Form 1120-FSC, *U.S. Income Tax Return of a Foreign Sales Corporation*. Tabular information, available for Tax Years 1985, 1986 and 1987, is classified by major product or service, size of total assets of the principal shareholder (usually a U.S. parent corporation), size of foreign trade gross receipts, country of incorporation and intercompany pricing method. It should be noted that FSC returns are no longer included in the sample of returns used as a basis for statistics reported annually in *Statistics of Income—Corporation Income Tax Returns*.

**Interest Charge-Domestic International Sales Corporations**

The Interest Charge-Domestic International Sales Corporation (IC-DISC) provisions were enacted to provide limited incentives to small U.S. exporters [9]. IC-DISC's are domestic corporations formed to export U.S. products. As noted above, IC-DISC's were initially permitted with the passage of the Deficit Reduction Act of 1984.

To elect IC-DISC status, at least 95 percent of a do-

mestic corporation's gross receipts must be "qualified export receipts" and at least 95 percent of its assets must be "qualified export assets." Qualified export receipts are gross receipts from the sale of qualified export assets and other types of income related to exporting. Qualified export assets represent export property and various other property related to exporting.

In general, the income of an IC-DISC is exempt from taxation. However, the shareholders of an IC-DISC, usually U.S. parent corporations, are subject to an interest charge on the tax-deferred income and a tax on actual and "deemed distributions" from the IC-DISC. As shown in Figure E, the total amount of IC-DISC gross export receipts grew from \$2.8 billion for 1985 to \$3.6 billion for 1987, even though the number of returns filed fell from 1,383 to 1,185. IC-DISC's gross export receipts were approximately 4.3 percent of the gross export receipts of \$84.3 billion reported by FSC's for 1987.

Figure F provides a comparison of FSC's and IC-DISC's by size of the majority corporate shareholder's total assets for 1987. As noted above, the IC-DISC provisions were enacted to encourage smaller businesses to export U.S. products. Sixty-two percent of IC-DISC's

**Figure E**

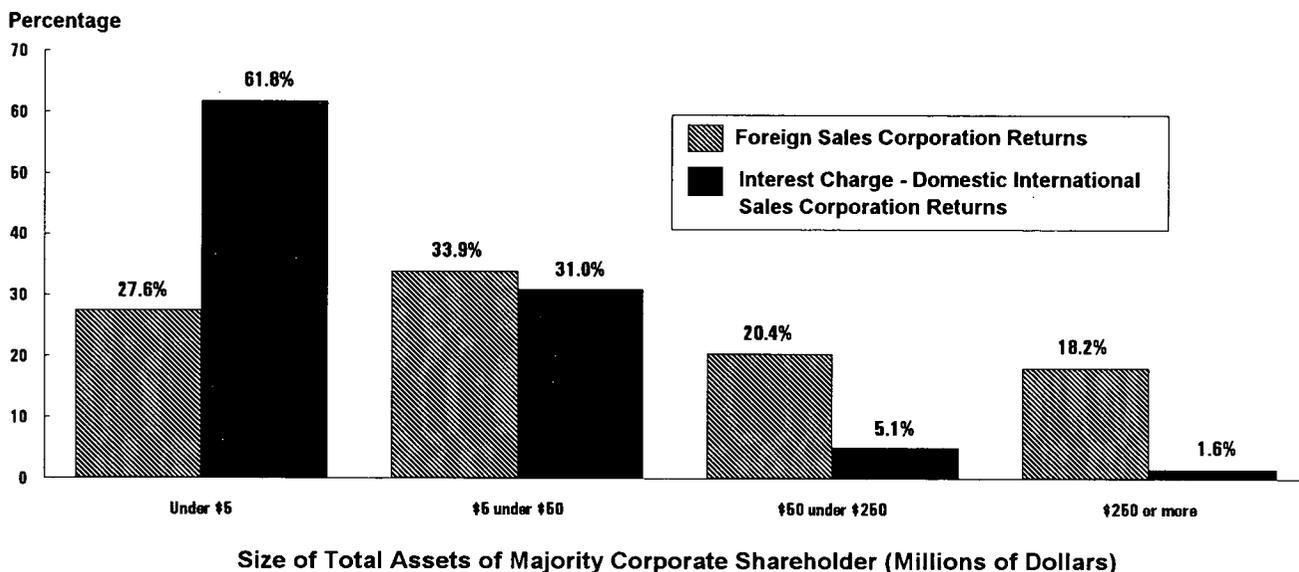
**Interest Charge-Domestic International Sales Corporations, 1985-1987**

[Money amounts are in thousands of dollars]

Year	Number of returns	Gross export receipts	Taxable income	Total amount deemed distributed	Total actual distributions
	(1)	(2)	(3)	(4)	(5)
1985.....	1,383	2,809,924	171,980	25,818	369,990
1986.....	1,443	3,323,468	219,587	38,426	99,826
1987.....	1,185	3,622,605	258,130	48,888	92,858

Figure F

Percentage of Foreign Sales Corporation and Interest Charge-Domestic International Sales Corporation Returns, by Size of Total Assets of Majority Corporate Shareholder, 1987



(with identified majority corporate shareholders) were controlled by U.S. corporations with less than \$5 million in total assets. In contrast, less than 2 percent were majority-owned by corporations with \$250 million or more in total assets. In comparison, FSC's tended to have larger majority corporate shareholders; approximately 82 percent of all FSC's were majority-owned by shareholders that were parent corporations with \$5 million or more in total assets. Eighteen percent of FSC's were owned by majority shareholders that were parent corporations with \$250 million or more in total assets.

The IC-DISC statistics are now produced every 4 years. The data are collected from Form 1120-IC-DISC, *Interest Charge Domestic International Sales Corporation Return*. Previous tabular information is available for Tax Years 1985, 1986, and 1987. The tabular information is classified by major product class or service, size of total assets of the majority corporate shareholder, size of export gross receipts, size of adjusted income, and intercompany pricing method.

**U.S. Possessions Corporations**

The United States allows a possessions tax credit to U.S. corporations that locate in U.S. possessions [10]. To qualify for the credit, a corporation must derive at least 80 percent of its gross income over the eligible period from sources within the U.S. possession and at least 75

percent of its gross income from the active conduct of a trade or business in the U.S. possession. If these requirements are met and a qualified election is made (on Form 5712, *Election to be Treated as a Possessions Corporation Under Section 936*), a "possessions corporation" may claim a credit against its U.S. income tax for the tax otherwise payable on "possessions source income." Possessions source income consists of income from the active conduct of a trade or business in the U.S. possession and "qualified possessions source investment income." Qualified possessions source investment income includes income attributable to the investment of funds derived from the active conduct of business in the same possession. For Tax Year 1989, possessions returns were received from corporations operating in the U.S. Virgin Islands, American Samoa, Guam, and Puerto Rico.

Figure G contains U.S. possessions corporation data for Tax Years 1985, 1987, and 1989. For 1989, the total possessions tax credit of approximately \$2.8 billion represented nearly 99 percent of the total U.S. income tax before credits for these corporations. Although the number of possessions corporations declined during the period from 1985 to 1989, their total assets increased by 25 percent to \$34.7 billion, while their total receipts increased by 45 percent to \$23.5 billion. U.S. income tax before credits and the possessions tax credit each increased by approximately 16 percent over the same time

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**Figure G**

**U.S. Possessions Corporations, 1985-1989**

[Money amounts are in millions of dollars]

Item	1985	1987	1989
	(1)	(2)	(3)
Number of returns.....	594	516	513
Total assets.....	27,735	33,184	34,677
Total receipts.....	16,230	20,024	23,481
Net income (less deficit).....	5,359	7,068	8,406
U.S. income tax before credits.....	2,455	2,820	2,856
Possessions tax credit.....	2,429	2,785	2,820

period, to \$2.9 billion and \$2.8 billion, respectively.

The U.S. possessions corporation statistics are based on data collected from Form 1120, *U.S. Corporation Income Tax Return*; Form 5735, *Computation of Possessions Corporation Tax Credit Allowed Under Section 936*; and Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*. Form 940 contains information on the total payments for employee services, a figure used to estimate employee compensation and examine the effect of the possessions tax credit on unemployment in the possessions. The study, conducted every 4 years, includes all U.S. possessions corporations. Tabular information, for selected years dating back to Tax Year 1976, is classified by industry, size of tax benefits per employee, U.S. possession in which income was earned, and accounting period.

**Corporate Foreign Tax Credit**

Although the United States taxes the worldwide income of U.S. persons, it cedes the primary right to tax the foreign source income of these U.S. persons to the foreign government. Congress enacted the foreign tax credit provisions in 1918 to mitigate the potential impact of the double taxation of foreign source income. Currently, U.S. persons can credit their foreign taxes paid or accrued against their U.S. tax liability, subject to limitations [11]. Effectively, U.S. persons pay tax at the higher of the U.S. tax rate or the overall foreign tax rate on their foreign source income.

Figure H documents the growth in the corporate foreign tax credit for selected years from 1925 to 1990. During this period, the foreign tax credit grew from \$20 million to \$24,990 million, while U.S. income tax before credits grew from \$1,170 million to \$119,434 million. The largest growth occurred in the 1970's. As illustrated in Figure I, for 1990, about 62 percent of the nearly \$25 billion claimed in foreign tax credits was reported by manufacturing companies (excluding petroleum) while 22 percent were claimed by petroleum companies (including

integrated petroleum production and coal products). Foreign source taxable income reported by companies claiming the foreign tax credit grew by 38 percent from 1980 to 1990, reaching a peak of \$99.9 billion for 1988 and falling slightly to \$99.6 billion in 1990 (Figure J).

**Figure H**

**Corporate Foreign Tax Credit, 1925-1990**

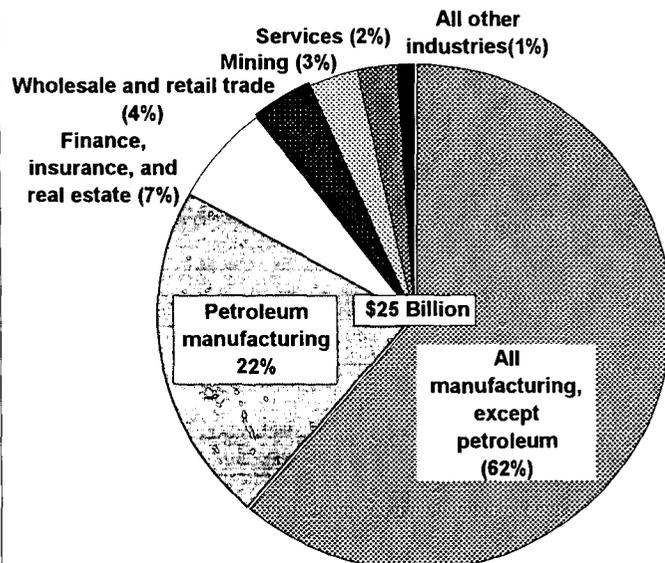
[Money amounts are in millions of dollars]

Year	U.S. income tax before credits	Foreign tax credit
1925.....	1,170	20
1930.....	712	29
1940.....	2,144	58
1950.....	15,929	464
1960.....	21,866	1,224
1970.....	32,950	4,549
1980.....	103,831	24,861
1981.....	100,644	21,829
1982.....	85,077	19,137
1983.....	90,462	19,951
1984.....	106,013	21,075
1985.....	109,106	24,263
1986.....	108,773	21,480
1987.....	115,074	20,813
1988.....	126,899	27,068
1989.....	123,236	23,977
1990.....	119,434	24,990

NOTE: Year-to-year comparability is affected by changes in the law.

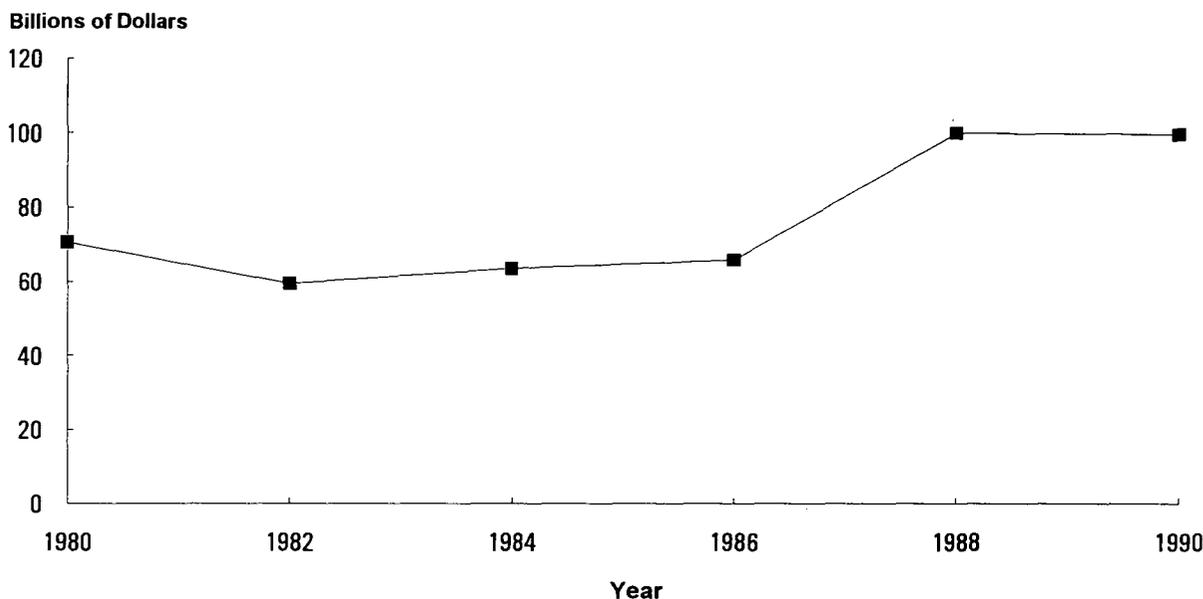
**Figure I**

**Corporate Foreign Tax Credit, by Selected Industrial Group, 1990**



**Figure J**

**Corporate Returns with a Foreign Tax Credit: Foreign Source Taxable Income for Selected Years, 1980-1990**



The corporate foreign tax credit statistics are based on data collected primarily from Form 1118, *Computation of Foreign Tax Credit—Corporations*, attached to one of the Form 1120 series of corporation income tax returns [12]. Tabular information is classified by industry, by country or geographic region to which tax was paid, and by size of total assets. The study is conducted annually with a scaled-down version containing less country detail conducted in alternate years. Geographic data from Form 1118 were first collected for Tax Year 1961 and are available for selected tax years. Statistics on the foreign tax credit, itself, are published each year, by industry or size of total assets in *Statistics of Income—Corporation Income Tax Returns* and are available as far back as the 1920's.

**International Boycotts**

The international boycott provisions require U.S. "persons" with business operations in countries known to participate in, or cooperate with, international boycotts unsanctioned by the U.S. Government to report these operations to the Internal Revenue Service [13]. Almost all of the reporting "persons" are corporations; 1,210 of the 1,281 reporting "persons" for Tax Year 1990 were corporations. The purpose of the boycott provisions, enacted in the Tax Reform Act of 1976, is to discourage U.S. persons from participating in certain boycotts, such as the Arab League boycott of Israel.

All U.S. persons operating in countries that participate in, or cooperate with, unsanctioned international boycotts, are subject to substantial reporting requirements. Those that participate in the boycotts are denied certain tax benefits related to the boycott income that otherwise would be available to them. The tax benefits affected include a reduction in the following: the foreign tax credit, tax-deferred earnings of Controlled Foreign Corporations (through an increase in Subpart F income), tax-deferred income from an Interest Charge-Domestic International Sales Corporation (IC-DISC), and tax-exempt foreign trade income of a Foreign Sales Corporation (FSC).

Figure K presents international boycott participation data for 1990 and 1991. For 1990 and 1991, the number of returns for persons reporting a loss of tax benefits due to boycott participation as a percentage of the total number of boycott returns filed was 3.2 percent and 2.2 percent, respectively. Only 26 of the 1,205 persons filing boycott reports for 1991 reported lost tax benefits due to the international boycott provisions [14]. The majority of the returns reporting tax effects for 1990 and 1991 were filed by corporations.

The international boycott data are collected from Form 5713, *International Boycott Report*. The statistics are produced annually, with a full-scale study conducted every fourth year. Full-scale studies include most data items from all Forms 5713, while smaller-scale studies

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**Figure K**

**International Boycott Participation, 1990-1991**

[Money amounts are in thousands of dollars]

Item	1990	1991
Number of boycott reports		
All persons, total.....	1,281	1,205
Corporations.....	1,210	1,150
Individuals.....	6	5
Partnerships.....	65	50
Number of returns showing a tax effect from boycott participation.....		
41	26	
Type of tax effect		
Reduction in foreign taxes eligible for the foreign tax credit.....		
1,371	1,951	
Reduction of foreign tax credit.....		
960	1,375	
Increase in Subpart F Income.....		
10,664	10,577	
Reduction of Foreign Sales Corporation income exemption.....		
69	20	

NOTE: No returns reported loss of benefits related to income from Interest Charge-Domestic International Sales Corporations for 1990 and 19

include a limited number of items from all Forms 5713 filed and complete data for Forms 5713, indicating that the filer was requested to participate in an international boycott. Statistics were first collected for Tax Year 1976, while the last full-scale study was for Tax Year 1990. Tabular information is classified by type of boycott request, by boycotting country, and by method of computing loss of tax benefits.

**Domestic Corporations Controlled by Foreign Persons**

Foreign-controlled domestic corporations (FCDC's) are companies incorporated in the United States, whose voting stock is 50 percent or more owned (directly or indirectly) by a foreign "person"[15]. In the United States, direct foreign investment through foreign-controlled domestic corporations grew considerably in recent years. Figure L contains selected information for the period from 1984 to 1990. Over this period, total assets (book value) of foreign-controlled domestic corporations grew by nearly 200 percent to nearly \$1.7 trillion, while total receipts increased by 131 percent to

about \$1.1 trillion. Income tax (after credits), including alternative minimum tax, increased by approximately 66 percent to \$7.4 billion over the same time period.

For 1990, over 83 percent of the \$1,060.3 billion in total receipts reported by foreign-controlled domestic corporations was attributable to companies controlled by foreign persons in seven countries, Japan, the United Kingdom, the Netherlands, Canada, Germany, France, and Switzerland (Figure M). These seven countries plus the Netherlands Antilles accounted for over 84 percent of the \$459.2 billion total receipts reported for 1984. While the total receipts reported increased for all countries, the relative percentage shares across countries did change somewhat; the percentage share for the Netherlands decreased by nearly 5 percent, while the percentage share for Canada increased by nearly 3 percent. Foreign-controlled domestic corporations whose principal business activity was in one of two industrial divisions (manufacturing and trade) accounted for approximately 81 percent of the 1990 total receipts [16].

Corporations indicating that they are 50 percent-or-more owned by a foreign person on their income tax return are included in the statistics on U.S. corporations, which are compiled annually. The statistics are based on information collected primarily from Form 1120, *U.S. Corporation Income Tax Return*. In addition, some companies filing Form 1120L, *U.S. Life Insurance Company Income Tax Return*; Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*; Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; and Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*, are now included. Tabular information, available for Tax Years 1983 and later, includes balance sheet, income statement, and tax items, classified by industry and country of residence of the foreign owner. For 1990, limited information is available by date of incorporation. Limited statistics on FCDC's for as early as Tax Year 1971 are available in *Statistics of Income—Corporation Income Tax Returns*.

**Figure L**

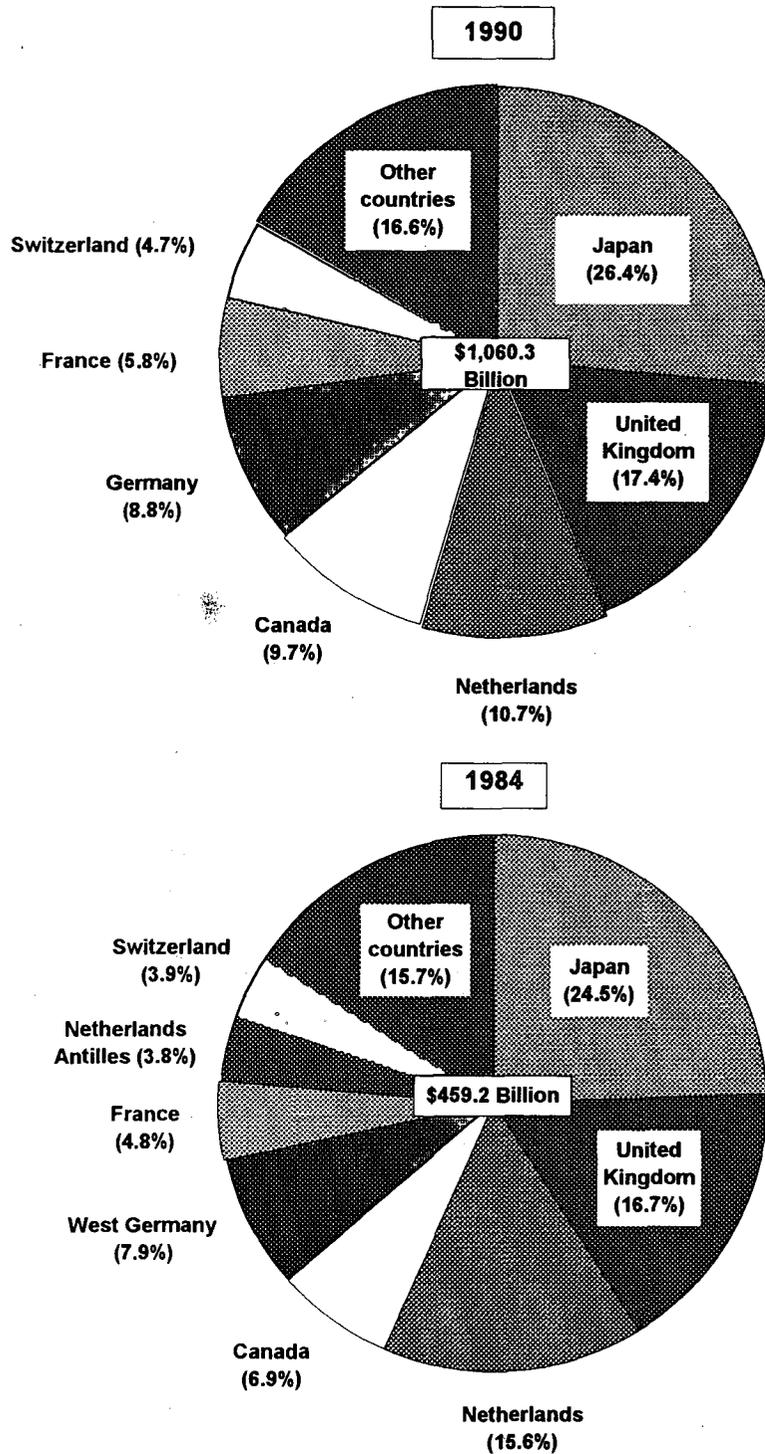
**Domestic Corporations Controlled by Foreign Persons, 1984-1990**

[Money amounts are in millions of dollars]

Item	1984	1986	1988	1990
	(1)	(2)	(3)	(4)
Number of returns.....	37,401	36,778	46,298	44,113
Total assets.....	552,598	840,893	1,199,346	1,652,255
Total receipts.....	459,162	542,695	825,557	1,060,295
Net income (less deficit).....	4,528	-1,519	11,201	3,966
Income subject to tax.....	13,411	9,370	19,800	23,704
Income tax before credits.....	6,050	4,070	7,071	8,719
Income tax after credits.....	4,488	3,043	5,824	7,438

Figure M<sup>1</sup>

Domestic Corporations Controlled by Foreign Persons: Total Receipts by Selected Country of Foreign Persons, 1990 and 1984



NOTE: Detail may not add to total due to rounding.

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## Foreign Corporations with Income Derived from U.S. Sources

Some foreign corporations (i.e., corporations incorporated abroad) engage in business activity in the United States through U.S. branches. These foreign corporations are subject to U.S. tax on income "effectively connected" with the conduct of a U.S. trade or business in a manner similar to that used to tax domestic corporations [17]. Other U.S. source income reported by these companies (i.e., investment income, such as interest, dividends, rents, royalties, and annuities) is also subject to U.S. tax. Statistics on foreign corporations with income derived from U.S. sources include only the effectively connected income of the foreign corporations [18].

Figure N contains selected data for foreign corporations with effectively connected income for 1983 through 1989. For 1989, total receipts from effectively connected activities were \$102.9 billion, nearly a five-fold increase from 1983. In addition, "U.S. income subject to tax" (the corporate tax base) and income tax after credits both

increased more than six-fold. Figure O includes information by selected country of incorporation and industry. For 1989, about 84 percent of the total receipts reported by foreign corporations with income effectively connected with a U.S. trade or business was from six countries: Japan, Canada, Switzerland, France, the United Kingdom, and the Netherlands. Foreign banks reported \$75.9 billion, approximately 74 percent, of the total receipts.

Statistics on foreign corporations with income derived from U.S. sources are compiled annually. The study data, collected as part of the SOI study of corporation income tax returns, are primarily from Form 1120F, *U.S. Income Tax Return of a Foreign Corporation*. Foreign life insurance companies and foreign property and casualty insurance companies filing Form 1120L, *U.S. Life Insurance Company Income Tax Return*, and Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*, respectively, are also included. Tabular information, available for Tax Years 1984 and after, consists of income statement and tax items, classified by industry and

**Figure N**

## Foreign Corporations with Income Effectively Connected with a U.S. Business, 1983-1989

(Money amounts are in millions of dollars)

Item	1983	1985	1987	1989
	(1)	(2)	(3)	(4)
Number of returns.....	8,001	11,693	10,478	9,321
Total receipts.....	20,794	50,909	61,004	102,862
Total deductions.....	21,882	51,928	61,130	102,925
Net income (less deficit).....	-1,118	-1,487	-162	-131
U.S. income subject to tax.....	469	1,025	1,647	2,905
Income tax after credits.....	152	362	614	977

**Figure O**

## Foreign Corporations with Income Effectively Connected with a U.S. Business, 1989

(Money amounts are in millions of dollars)

Country or industry	Number of returns	Total receipts	Total deductions	Net Income (less deficit)	U.S. income subject to tax	Income tax after credits
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Country of Incorporation</b>						
All countries <sup>1</sup> .....	9,321	102,862	102,925	-131	2,905	977
Japan.....	894	32,733	33,914	-1,182	318	106
Canada.....	1,816	27,314	25,570	1,742	2,101	712
Switzerland.....	239	10,895	10,929	-36	67	23
France.....	74	5,182	5,174	8	16	6
United Kingdom.....	395	5,180	5,222	-41	27	8
Netherlands.....	334	4,460	4,446	5	82	27
<b>Industry</b>						
All Industries <sup>1</sup> .....	9,321	102,862	102,925	-131	2,905	977
Banking.....	293	75,938	75,546	383	2,387	808
Real estate.....	5,642	2,279	2,413	-177	246	79

<sup>1</sup> Includes countries and industries not shown separately.

country. Limited statistics for as early as 1970 are available in the *Statistics of Income—Corporation Income Tax Returns*.

**Transactions of Foreign-Owned Corporations**

Under Internal Revenue Code section 6038A, which was revised by the Tax Reform Act of 1986, foreign-controlled domestic corporations and foreign corporations with a U.S. trade or business must report transactions with related foreign persons [19]. These transactions are reported on Form 5472, *Information Return of a 25% Foreign Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*.

Figure P contains selected summary data collected from Form 5472 for all qualified corporations with \$1 billion or more in receipts. For 1989, the 165 corporations (with \$1 billion or more in receipts) received \$62.7 billion and paid \$116.8 billion in transactions with related foreign persons, an increase from 1988 of 26 percent and 50 percent, respectively. Sales of stock in trade and amounts borrowed (ending balance) accounted for over 93 percent of the total amounts received for 1989. Purchases of stock in trade were the largest component (73 percent) of the total paid to related persons. Figure Q presents the total amounts received from and paid to related persons, by the country of related person for 1989. Overall, foreign-owned corporations reported \$116.8 billion in pay-

**Figure P**

**Foreign Owned Corporations with Total Receipts of \$1 Billion or More: Transactions Between Corporations with Related Foreign Persons, 1988 and 1989**

[Money amounts are in millions of dollars]

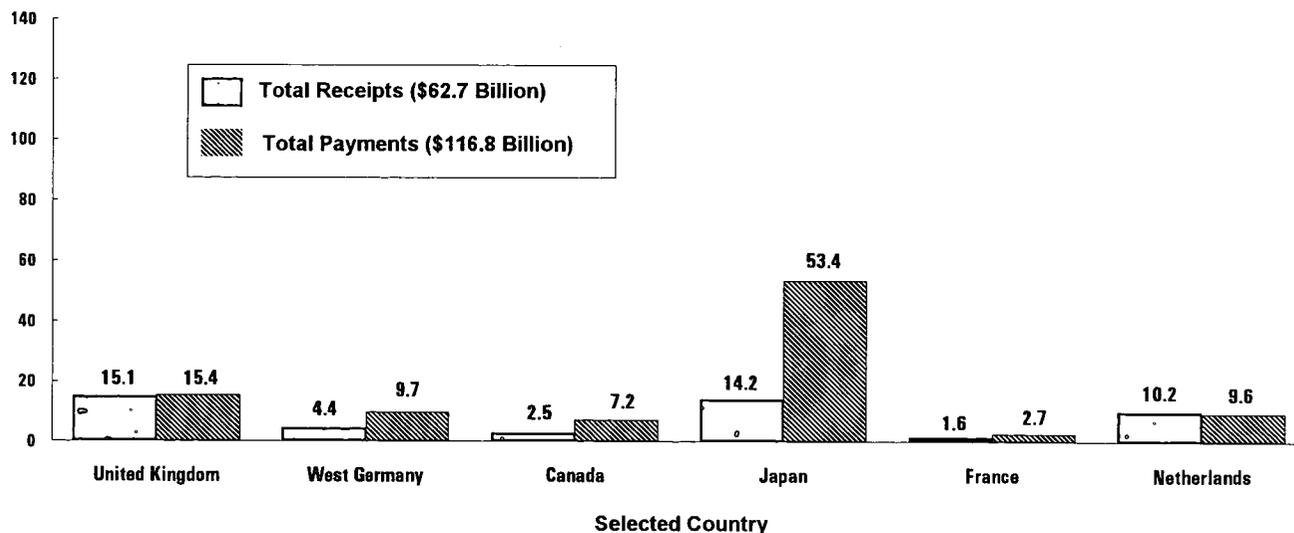
Item	1988	1989	Percentage increase
	(1)	(2)	
Number of returns.....	121	165	36
Total assets.....	426,307	637,142	49
Total receipts.....	398,921	528,523	32
<b>Transactions between corporations and related foreign persons</b>			
Total received.....	49,920	62,668	26
Sales of stock in trade.....	18,789	22,688	21
Amounts borrowed:			
Beginning balance.....	26,633	32,042	20
Ending balance.....	29,174	36,127	24
Total paid.....	77,628	116,817	50
Purchases of stock in trade..	61,920	84,845	37
Amounts loaned:			
Beginning balance.....	6,625	10,306	56
Ending balance.....	9,137	14,128	55

ments to related foreign persons, almost double the amount that they reported receiving for 1989. Payments of nearly \$53.4 billion to Japanese related parties were nearly four times the amount received.

**Figure Q**

**Total Transaction Receipts and Payments of Foreign Owned Corporations with Total Receipts of \$1 Billion or More, by Selected Country of Related Person, 1989**

Billions of Dollars



## Studies of International Income and Taxes

These foreign-owned corporation statistics, produced annually starting with Tax Year 1988, are based on data reported by corporations with total receipts of \$1 billion or more that were controlled by a foreign person and reported transactions with related foreign persons [20]. Tabular information is classified by industry of the reporting corporation, country of incorporation of the 50-percent-or-more foreign owner, country of ultimate indirect 25-percent-or-more foreign shareholder, and primary country under whose laws the related party files an income tax return as a resident.

### International Studies of Individuals

Currently, the primary international study focusing on individuals is the combined study of the foreign tax credit and foreign earned income claimed by individuals on their Federal income tax returns. Another study focuses on the excluded income from U.S. possessions.

### Individual Foreign Tax Credit and Foreign Earned Income

Like corporations, individuals may claim a foreign tax credit against their U.S. income tax for foreign taxes paid or accrued on certain income [21]. In addition, individuals may claim an exclusion for foreign earned income and an exclusion or deduction for certain foreign housing expenses. In 1926, in an effort to promote U.S. exports and equate the tax burden of U.S. citizens abroad with that of their domestic counterparts, Congress enacted a foreign earned income exclusion. Currently, qualifying taxpayers with earned income (e.g., salaries and wages, commissions, and fees) for personal services performed in a foreign country may exclude up to \$70,000 of foreign

earned income from U.S. taxation. In addition, qualified "excess housing costs" (i.e., reasonable housing costs, such as rent, utilities, and insurance, that exceed a certain base amount) may also be excluded or deducted from income.

Individuals claiming the foreign tax credit reported foreign-source gross income of approximately \$7.1 billion for 1987, up from \$4.4 billion for 1983 (Figure R). The percentage of foreign-source gross income reported by individuals from Canada and the United Kingdom remained fairly stable, with these two countries accounting for approximately 30 percent of the total for both 1983 and 1987. The foreign-source gross income reported for Japan grew by more than 250 percent from 1983 to 1987 to nearly \$634 million and it accounted for nearly 9 percent of the total for 1987.

For both 1983 and 1987, the six countries with the largest number of individuals claiming the foreign earned income exclusion were West Germany, the United Kingdom, Saudi Arabia, Canada, Japan, and France (Figure S). For 1983 and 1987, individuals residing in these six countries filed 47 and 44 percent of returns claiming the foreign earned income exclusion and 47 and 49 percent, respectively, of the total income and housing exclusions and housing deductions claimed. A foreign earned income exclusion was reported on an estimated 171,191 returns for 1987, an increase of approximately 8 percent from 1983. The sum of the earned income exclusion, housing exclusion and housing deduction was almost \$6.5 billion for 1987, up from approximately \$6.0 billion for 1983. For 1987, approximately 79 percent of the reported \$8.1 billion of foreign earned income was either excluded or deducted.

**Figure R**

### Selected Income and Tax Items Reported on Individual Income Tax Returns with a Foreign Tax Credit, by Selected Country or U.S. Possession to which Tax was Paid, 1983 and 1987

(Money amounts are in thousands of dollars)

Country or U.S. possession to which tax was paid	1983				1987			
	Foreign-source gross income	Total deductions	Foreign-source taxable income	Foreign taxes paid or accrued	Foreign-source gross income	Total deductions	Foreign-source taxable income	Foreign taxes paid or accrued
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All countries <sup>1</sup> .....	4,368,096	1,121,603	3,246,481	1,090,357	7,097,249	1,562,240	5,535,009	1,806,062
Canada.....	807,485	184,597	622,890	162,878	1,290,937	450,841	840,096	267,928
United Kingdom.....	461,909	132,340	329,568	108,236	860,068	169,370	690,698	299,044
Japan.....	178,245	52,671	125,568	55,739	633,664	86,881	546,782	198,595
Puerto Rico.....	303,034	69,380	233,652	45,049	453,793	57,909	395,884	80,349
West Germany.....	257,995	40,201	217,794	58,936	429,504	106,064	323,440	141,464
Saudi Arabia.....	218,504	94,731	123,773	14,767	209,986	124,273	85,714	4,116
South Africa.....	265,212	48,051	217,156	39,060	127,726	13,278	114,447	20,552

<sup>1</sup> Includes countries and U.S. possessions not shown separately.

**Figure S**

**Individual Income Tax Returns with Foreign Earned Income, by Selected Country of Residence, 1983 and 1987**

[Money amounts are in thousands of dollars]

Country of residence	1983					1987				
	Number of returns	Foreign earned income	Earned income exclusion	Housing exclusion	Housing deduction	Number of returns	Foreign earned income	Earned income exclusion	Housing exclusion	Housing deduction
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All countries<sup>1</sup></b>	<b>159,154</b>	<b>7,113,429</b>	<b>5,707,052</b>	<b>314,767</b>	<b>13,385</b>	<b>171,191</b>	<b>8,147,355</b>	<b>5,982,454</b>	<b>467,896</b>	<b>16,761</b>
West Germany.....	14,160	315,979	285,362	3,876	334	18,149	625,246	487,416	10,670	265
United Kingdom.....	12,927	774,330	547,099	40,041	1,229	15,829	1,044,426	647,648	61,483	3,115
Saudi Arabia.....	25,455	1,510,291	1,316,268	29,742	1,506	13,407	753,323	639,198	9,848	1,440
Canada.....	11,203	386,096	340,092	3,960	8	12,912	521,312	425,667	3,762	55
Japan.....	7,686	303,395	215,331	30,382	1,995	10,196	680,728	388,541	126,324	2,558
France.....	4,154	170,092	136,947	5,626	298	5,392	282,993	214,677	16,288	547

<sup>1</sup> Includes countries not shown separately.

Historically, the individual foreign tax credit and foreign earned income study was conducted every 4 years starting with Tax Year 1972. Beginning with Tax Year 1991, the statistics will be collected every fifth year. Detailed information is collected from Form 1040, *U.S. Individual Income Tax Return*; Form 1116, *Foreign Tax Credit*; and Form 2555, *Foreign Earned Income*. Tabular information is classified by size of adjusted gross income, country or geographic region, and occupation.

**Excluded Income from U.S. Possessions**

Currently, under Code section 931, a U.S. citizen who is a bona fide resident of particular U.S. possessions (American Samoa, Guam, and the Northern Mariana Islands) may exclude from gross income the income that is "effectively connected" with the conduct of a trade or business within the possession. The most recent study was for Tax Year 1983. For Tax Year 1983, approximately \$3.3 million was excluded from gross income by 134 U.S. citizens in four of the U.S. possessions (American Samoa, Johnston Island, Midway Islands, and Wake Island and Kingman Reef) allowed under prior law.

Implementing agreements between the Treasury Department and the possessions are required before the exclusion is made available to possessions residents. Currently, agreements have been concluded with American Samoa and Guam. Statistics will be obtained once agreements are reached with all three possessions.

**International Withholding Tax Studies**

Each of the three international withholding tax studies examines the U.S. activity of foreign persons. Overall, they provide information about several types of income paid to foreign recipients, such as dividends, interest, rents and royalties, compensation for personal services,

retirement payments, income from the sale of real property, and partnership income.

**Foreign Recipients of U.S. Income**

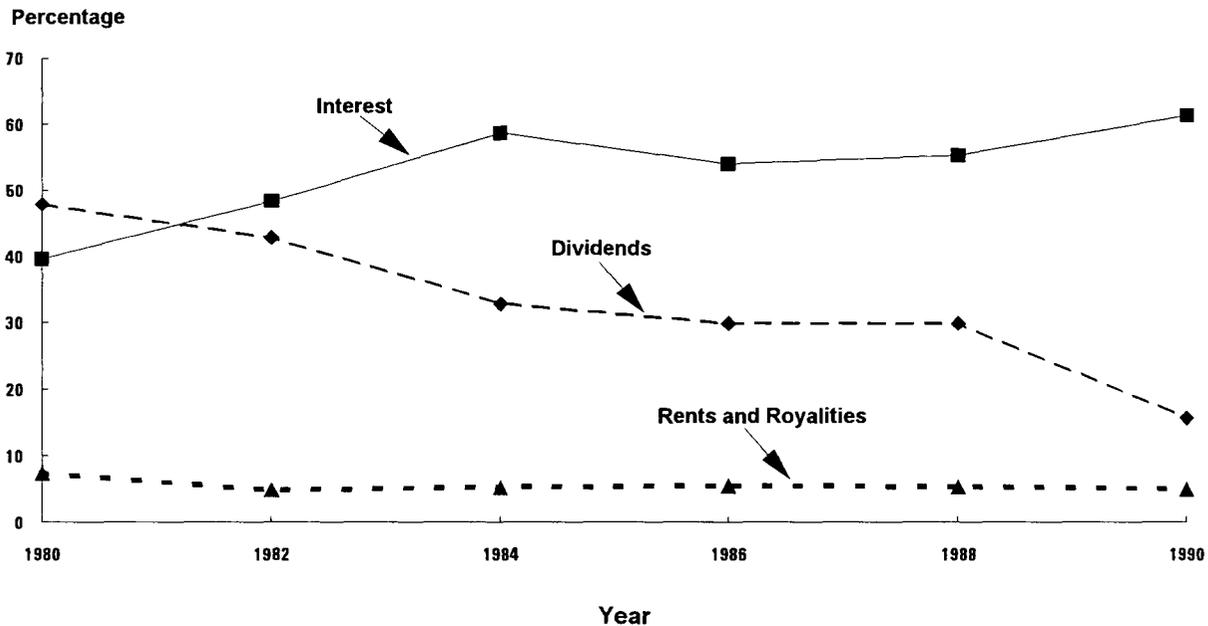
U.S. source income of nonresident alien individuals and other foreign "persons" is generally subject to a withholding tax fixed at a statutory rate of 30 percent, unless such income is "effectively connected" with a U.S. trade or business or is exempt from U.S. taxation, or unless a lower rate is established by tax treaty. The income that is subject to the withholding tax includes, but is not limited to, dividends, interest, rents and royalties, compensation for personal services, and retirement payments. The U.S. withholding agent must file Form 1042S, *Foreign Person's U.S. Source Income Subject to Withholding*, for each foreign recipient of U.S. income, even if the income is exempt from withholding requirements. For Tax Year 1990, payers of income or their tax withholding agents reported total income paid to foreign recipients of \$79.4 billion and total tax withheld of \$2.2 billion [22].

The percentage of total income attributable to interest, dividends, and rents and royalties for even years from 1980 to 1990 is illustrated in Figure T. During this period, dividends as a percentage of total income fell from 48 percent to 16 percent. Interest, however, rose as a percentage of total income from 40 percent to 60 percent. Rents and royalties, as a percentage of total income, remained relatively stable at approximately 5 percent for most of this time period. Using 1980 as a base year, Figure U depicts the changing geographic distribution of the income recipients. The percentages of total income for each of the eight countries with the highest percentages of total income for 1980 are illustrated for even years from 1980-1990. Overall, reported total payments to foreign persons increased more than ten-fold, from \$6.6

# Studies of International Income and Taxes

**Figure T**

**Foreign Recipients of U.S. Income: Selected Income Types as Percentages of Total Income, 1980-1990**



**Figure U**

**Foreign Recipients of U.S. Income: Percentage of Total Income, by Selected Country of Residence, 1980-1990**

[Money amounts in millions of dollars]

Country of residence	Total income, 1980	Percentage of total income						Total income, 1990	Relative percentage change, 1980 - 1990
		1980	1982	1984	1986	1988	1990		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All countries<sup>1</sup>.....</b>	<b>6,576.4</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>79,386.8</b>	
Switzerland.....	998.5	15	11	9	7	6	4	3,188.5	-73
United Kingdom.....	904.3	14	20	18	17	15	18	14,173.3	28
Canada.....	838.9	13	11	11	11	10	6	4,395.1	-57
Netherlands.....	700.0	11	14	11	7	8	5	3,746.3	-57
Netherlands Antilles.....	632.2	10	15	16	13	5	3	2,080.6	-74
West Germany.....	619.2	9	6	6	5	5	4	3,554.0	-50
Japan.....	413.3	6	7	8	13	26	20	15,739.1	230
France.....	410.1	6	6	5	4	4	5	3,596.2	-25

<sup>1</sup> Includes countries not shown separately.

billion for 1980 to nearly \$79.4 billion for 1990. Payments to recipients in Japan reflect the largest percentage change in both absolute and relative percentage terms across the period. Payments to foreign recipients in Japan grew from \$0.4 billion to \$15.7 billion. For 1980, about 6 percent of the total income was paid to recipients in Japan. By 1990, about 20 percent of the total was paid to recipi-

ents in Japan, an increase of 230 percent. With the exception of the United Kingdom, all of the other countries declined in relative percentage terms over the 1980-1990 period.

Annually, data are collected from all Forms 1042S filed with the Internal Revenue Service. Form 1042S, filed by the U.S. payer of income or withholding agent for

## Studies of International Income and Taxes

each foreign recipient of U.S. income, reports the name, address, country of residence, income type, and income and tax withheld. Tabular information is available by recipient's country of residence, type of income and recipient, and income size classes. Information is available for most years beginning with Tax Year 1965.

### Sales of U.S. Real Property Interests by Foreign Persons

Code section 897 imposes a 10 percent withholding tax on sales of U.S. real property interests by foreign persons. The buyer or other transferee of a U.S. real property interest purchased from a foreign person must withhold the tax from the amount paid to the foreign seller. The buyer transmits the tax withheld and files Form 8288, *U.S. Withholding Tax Return for the Dispositions by Foreign Persons of U.S. Real Property Interests*, to report the transaction. Since Tax Year 1990, data have been collected annually from Form 8288. Tabular information is available by country of seller's residence.

Summary information for Tax Years 1990 through 1992 is presented in Figure V. For Tax Year 1992, nearly \$1.5 billion was reported as realized by foreigners on the sale of U.S. real property interests. Taxes of approximately \$120 million were withheld for 1992, up from approximately \$114 million for 1991, but less than the \$147 million for 1990.

### U.S. Partnership Income of Foreign Partners

Legislation enacted as part of the Tax Reform Act of 1986 requires U.S. partnerships to withhold income tax on that portion of the partnership's taxable net income classified as "effectively connected" with a U.S. business and deemed allocable to foreign partners [23]. For Tax Year 1990, the most recent year for which statistics are available, the withholding rate for foreign corporate partners and noncorporate partners was 34 percent and 28 percent, respectively.

Annually, a U.S. partnership files summary information on Form 8804, *Annual Return for Partnership With-*

*holding Tax*, with attached Forms 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax*, for each foreign partner. Quarterly, the partnership files Form 8813, *Partnership Withholding Tax Payment*, with the required withholding tax payments. Statistics present detailed information collected from Form 8805 and summary information collected from Form 8804. Tabular information is available by type of recipient and country of residence, starting with 1989.

As shown in Figure W, foreign partners' "effectively connected" taxable income grew from nearly \$348 million for 1989 to approximately \$429 million for 1990, an increase of approximately 23 percent. The bulk of this increase can be attributed to foreign corporate partners whose effectively connected taxable income increased by nearly 66 percent, to \$217 million. From 1989 to 1990, the total U.S. tax withheld increased by nearly 19 percent to about \$141 million. However, the \$76 million of tax withheld for 1990 for corporate foreign partners represented an increase of 58 percent from 1989. Under Internal Revenue Code section 1445, when a U.S. partnership disposes of a U.S. real property interest, a withholding tax is imposed on that portion of the gain on the sale that is allocable to any foreign partners. At the end of each year, a "section 1445 credit" for the amount of the tax withheld on the sale is allowed in computing the additional U.S. tax to be withheld from the foreign partner's allocable income. The total "section 1445 credit" for 1990 was less than half of the amount reported for 1989, declining from \$8.2 million to \$3.4 million. For both 1989 and 1990, foreign partners who were individuals accounted for the majority of the "section 1445 credit," even though the credit reported for these individuals declined from \$7.2 million to approximately \$2.0 million.

### Other International Studies

Nonresident alien estates and foreign trusts are the focus of the final two international studies conducted by SOI. The nonresident alien estate statistics report on the U.S. activity of foreign persons, while the data on foreign trusts provide information on the foreign activity of U.S. persons.

### Nonresident Alien Estates

The United States imposes an estate tax on the portion of a nonresident alien's estate that is located within the United States [24]. The U.S. "gross estate," that portion of the estate located in the United States, reduced by allowable deductions is the taxable U.S. estate. The allowable deductions include funeral expenses, administration expenses, claims against the estate, indebtedness on property included in the estate from casualty or theft,

Figure V

### Sales of U.S. Real Property Interests by Foreign Persons, 1990-1992

(Money amounts are in thousands of dollars)

Year	Number of returns	Total amount realized	Total tax withheld
	(1)	(2)	(3)
1990.....	10,344	1,649,585	147,054
1991.....	9,327	1,483,367	114,287
1992.....	10,097	1,477,686	120,286

# Studies of International Income and Taxes

**Figure W**

**U.S. Partnership Income of Foreign Partners and U.S. Tax Withheld, 1989 and 1990**

[Money amounts are in thousands of dollars]

Recipient type, year	Number of Forms 8805 <sup>2</sup>	Taxable income	U.S. tax withheld		
			Total	Code section 1445 credit	Net tax withheld
	(1)	(2)	(3)	(4)	(5)
<b>1989</b>					
Total <sup>1</sup> .....	32,432	347,954	118,359	8,242	110,118
Individuals.....	30,181	160,266	49,700	7,218	42,482
Corporations.....	1,852	131,255	48,232	802	47,429
<b>1990</b>					
Total <sup>1</sup> .....	30,645	429,255	140,702	3,436	137,266
Individual.....	27,848	159,038	45,843	1,967	43,877
Corporations.....	2,286	217,400	76,243	536	75,707

<sup>1</sup> Includes "persons" other than individuals and corporations, not shown separately.

<sup>2</sup> Form 8805 is entitled "Foreign Partner's Information Statement of Section 1446 Withholding Tax."

certain charitable contributions made by the decedent and certain transfers to the decedent's spouse. Several credits, including the unified credit which exempts estates of up to \$60,000 from tax, the credit for State death taxes, the credit for taxes paid on certain gifts, and the credit for taxes on prior transfers, also reduce the total estate tax liability.

Selected summary data from nonresident alien estate returns are reported in Figure X. Even though the number of returns fell steadily from 1982 to 1990, both the size of the estates and the amount of the estate tax grew. The reported U.S. gross estate increased from \$47.1 million for 1982 to \$80.7 million for 1990, while the total estate tax (after credits) increased from \$3.9 million to nearly \$20.5 million.

Form 706NA, *United States Estate (and Generation-Skipping Transfer) Tax Return, Estate of Nonresident not a Citizen of the United States*, must be filed by the estate within 9 months of the nonresident alien decedent's date of death. Extensive data are collected from all Form 706NA returns filed in a particular year. Conducted every 4 years, the next statistics will report on returns filed for 1994.

**Foreign Trusts**

U.S. persons who create or transfer property to a foreign trust must file Form 3520, *Creation of or Transfers to Certain Foreign Trusts* [25]. Form 3520, an information return, includes details on the identity of the filer (i.e., whether the filer is the grantor, transferor, or the fiduciary of the estate) and the features of the foreign trust, including the location, creation date, value of property transferred, and beneficiary information. As long as the trust has one U.S. beneficiary, an information return, Form 3520-A, *Annual Return of Foreign Trust with U.S. Beneficiaries*, must also be filed annually by the U.S. person. Form 3520-A provides income statement and balance sheet information for the trust.

For 1990, U.S. persons transferred nearly \$272.7 million in assets to 133 foreign trusts (Figure Y). Although the number of reported transfers decreased between 1986 and 1990, the average transfer per trust increased sharply from \$66,000 for 1986 to \$2,050,000 for 1990. A large part of the increase can be attributed to trusts created in Liechtenstein, where the average transfer value for these trusts increased from \$56,000 for 1986 to \$13,441,000 for 1990, despite the fact that the number of trusts fell from nine to seven. The total transfer value for trusts created in Liechtenstein grew from about \$506,000 for 1986 to approximately \$94,088,000 for 1990, expanding from 3 percent of the total value of transfers for 1986 to approximately 35 percent for 1990.

Every 4 years, comprehensive statistics on foreign trusts are compiled based on all Forms 3520 and Forms 3520-A filed with the Internal Revenue Service for a particular tax year. The most current complete information is for Tax Year 1990; historical information is available starting with Tax Year 1979. Tabular information is available by country of filer's residence, title of filer (i.e.,

**Figure X**

**Nonresident Alien Estates Tax Returns, by Selected Filing Years, 1982-1990**

[Money amounts are in thousands of dollars]

Item	1982	1986	1990
	(1)	(2)	(3)
Number of returns.....	169	161	143
Worldwide gross estate.....	148,013	239,611	291,789
U.S. gross estate.....	47,135	62,017	80,687
U.S. taxable estate.....	41,382	53,934	62,829
Estate tax after credits.....	3,850	6,520	20,496

Figure Y

**Number of Foreign Trusts and Total and Average Transfer Values, by Selected Country Where Trust Was Created, 1986 and 1990**

[Money amounts are in thousands of dollars]

Country where trust was located	1986			1990		
	Number of trusts	Total transfer value	Average transfer value per trust	Number of trusts	Total transfer value	Average transfer value per trust
	(1)	(2)	(3)	(4)	(5)	(6)
All countries <sup>1</sup> .....	255	16,892	66	133	272,663	2,050
Canada.....	127	1,396	11	73	44,278	607
Channel Islands.....	23	3,195	139	16	15,050	941
Bermuda.....	12	1,733	144	6	2,689	448
Liechtenstein.....	9	506	56	7	94,088	13,441

<sup>1</sup> Includes countries not shown separately.

grantor, transferor, or fiduciary), number of beneficiaries, country of beneficiary's residence, type of foreign trust (i.e., Canadian Registered Retirement Savings Plans or other), country, and year that trust was created.

**SOI and Other U.S. Government Sources of International Statistics**

For more information about international statistics produced by the Statistics of Income Division, please contact its Statistical Information Services office [26]. Various other U.S. Government departments and agencies also produce international statistics. More information about these statistics may be obtained in various ways. For example, the Association of Public Data Users produces a telephone contacts list for Federal statistical programs [27]. In addition, indexes, such as the American Statistics Index and the Index to International Statistics, provide details about other sources of published U.S. Government information [28].

**Notes and References**

- [ 1 ] Bach, Christopher J., "U.S. International Transactions, Revised Estimates for 1983-92," *Survey of Current Business*, June 1993, Volume 93, Number 6, Bureau of Economic Analysis, U.S. Department of Commerce.
- [ 2 ] Statistics of Income has historically been a provider of tax information. Current projects at Statistics of Income build on a long history of data collection and tabulation. The Revenue Act of 1916 included a provision requiring the annual preparation of statistics related to the operation of the tax law. In 1918, the first Statistics of Income report, based on the income tax returns filed by individuals and corporations for Calendar Year 1916, was released. Statistics of Income continues to collect tax informa-

tion and produce descriptive statistics as part of the studies currently conducted. For a more detailed discussion of the history of Statistics of Income, see Jamerson, Bettye, and Wilson, Robert A., "Statistics of Income: 75 Years of Service," *Statistics of Income Bulletin*, Fall 1988, Volume 8, Number 2.

- [ 3 ] A U.S. citizen is a citizen of the United States regardless of where the individual resides. In addition, under Internal Revenue Code section 877, a U.S. expatriate (a nonresident alien previously a U.S. citizen) may be taxed as a U.S. citizen in certain circumstances. In general, a resident of the United States is a lawful permanent resident of the United States or has been substantially present in the United States for the past 3 years. A domestic partnership or corporation is a partnership or corporation created or organized in the United States or under the laws of the United States or any State. A foreign trust or estate is a trust or estate whose foreign-source income is not "effectively connected" with a U.S. business and is, therefore, excluded from gross income under the provisions of Subtitle A of the Internal Revenue Code. See Code section 7701 for more information regarding the definition of U.S. and foreign persons.
- [ 4 ] The current definition of a Controlled Foreign Corporation is given in Internal Revenue Code section 957. Ownership attribution rules are discussed in section 958.
- [ 5 ] Under the Omnibus Budget Reconciliation Act of 1993, a U.S. shareholder of a CFC is also subject to tax on the CFC's unrepatriated earnings to the extent those earnings are invested in an excessive amount of "passive assets"(generally more than 25 percent

## Studies of International Income and Taxes

of the CFC's total assets). These provisions are applicable only for earnings in taxable years beginning after September 30, 1993.

- [ 6] The Domestic International Sales Corporation (DISC) provisions were in effect from January 1, 1972, until December 31, 1984. The purpose of the legislation was to stimulate U.S. exports by allowing a deferral of tax on a portion of the export income of the DISC. The DISC itself paid no tax on the income; instead, the DISC shareholders paid tax on the income when it was distributed or deemed distributed. While a portion of the export income was distributed or deemed distributed to the shareholders annually, the tax on the remainder of the income was deferred indefinitely. The DISC provisions were a point of contention between the United States and the other signatory countries of the General Agreement on Tariffs and Trade (GATT) and were replaced with the Foreign Sales Corporation and Interest Charge-Domestic International Sales Corporation provisions in the Deficit Reduction Act of 1984.
- [ 7] For more information on the legislative history and operation of the Foreign Sales Corporations, see, for example, *The Operation and Effect of the Foreign Sales Corporation Legislation, January 1, 1985, to June 30, 1988*, U.S. Department of Treasury, January 1993. As of November 1992, the qualifying foreign countries were Australia, Austria, Barbados, Belgium, Bermuda, Canada, Costa Rica, Cyprus, Denmark, Dominica, Dominican Republic, Egypt, Finland, France, Germany, Grenada, Honduras, Iceland, Ireland, Jamaica, Korea, Malta, Marshall Islands, Mexico, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Philippines, St. Lucia, Sweden, and Trinidad and Tobago. The qualifying U.S. possessions were Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.
- [ 8] FSC's may use three different pricing methods to determine the amount of exempt foreign trade income from transactions with related parties. The three methods are (1) 1.83 percent of gross receipts method (income of the FSC equals 1.83 percent of receipts derived from the sale), (2) 23 percent of combined taxable income method (income of the FSC equals 23 percent of the combined taxable income from the transaction by both the FSC and the related party), and (3) the transfer pricing rules provided under Internal Revenue Code section 482 (income of the FSC equals the amount that the FSC can independently justify based on its sales activity).
- [ 9] For more information on the legislative history and operation of the Interest Charge-Domestic International Sales Corporations, see, for example, *The Operation and Effect of the Foreign Sales Corporation Legislation, January 1, 1985, to June 30, 1988*, U.S. Department of Treasury, January 1993.
- [10] For a more detailed discussion of the legislative history of U.S. possessions corporations, see Bradford, John J., "U.S. Possessions Corporation Returns, 1987," *Statistics of Income Bulletin*, Summer 1991, Volume 11, Number 1.
- [11] A general limitation prevents taxpayers from using foreign taxes paid in a relatively high-tax foreign country to offset U.S. taxes on their U.S. source income. In addition, several separate limitations must be calculated for certain categories of foreign-source income. See Code Section 904(d) for these separate limitation categories "baskets."
- [12] The study data are derived from returns with a foreign tax credit in the *Statistics of Income* corporate sample of returns and includes companies filing Form 1120 (*U.S. Corporation Income Tax Return*), Form 1120L (*U.S. Life Insurance Company Income Tax Return*), Form 1120-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*), Form 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*), Form 1120-F (*U.S. Income Tax Return of a Foreign Corporation*), and Form 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*). Corporations filing Form 1120-FSC (*U.S. Income Tax Return of a Foreign Sales Corporation*) and Form 1120-IC-DISC (*U.S. Income Tax Return of a Foreign Sales Corporation*) are currently not part of the *Statistics of Income* corporate sample of returns.
- [13] The U.S. Treasury Department maintains a list of countries known to participate in an unsanctioned international boycott. The current list consists of Arab nations which are boycotting Israel.

## Studies of International Income and Taxes

- [14] For 1991, approximately 20 percent (244 persons) of the 1,205 persons filing boycott reports reported receiving requests to participate in an international boycott; and 61 persons agreed to participate in an international boycott; 26 of the 61 persons that agreed to participate in an unsanctioned international boycott reported lost tax benefits. To lose tax benefits the person must have (positive) U.S. taxable income, positive amounts of affected tax benefits, and generally must have paid taxes to the foreign country requesting compliance with an unsanctioned international boycott.
- [15] A domestic corporation is majority-owned if 50 percent or more of the voting stock of the corporation is owned, directly or indirectly, by a person, using the attribution rules under Internal Revenue Code section 267(c).
- [16] For further information by industry, see Hobbs, James R., "Domestic Corporations Controlled by Foreign Persons, 1990," *Statistics of Income Bulletin*, Fall 1993, Volume 13, Number 2.
- [17] Internal Revenue Code section 864(c) and the related Internal Revenue Regulations describe tests to determine if income is effectively connected with a U.S. trade or business.
- [18] Although statistics on income not effectively connected with a U.S. business, such as portfolio income, are not directly available from this study, the study of foreign recipients of U.S. income does provide this type of information.
- [19] Internal Revenue Code sections 267(b), 482, and 707(b)(1) define a "related person." On Form 5472, the foreign-controlled corporation (the reporting corporation) must specify the type of relationship it has with its related foreign person, indicating whether (1) the reporting corporation controls the related person; (2) the related person controls the reporting corporation; (3) the reporting corporation and the related person are under common control by a third party; or (4) some other relationship exists.
- [20] For Tax Year 1991, the basis for inclusion in the statistics will be total receipts of \$500 million or more.
- [21] Foreign taxes paid on income excluded under the foreign earned income and housing exclusion provisions cannot be credited.
- [22] Miller, Randy, "Foreign Recipients of U.S. Income, 1990," *Statistics of Income Bulletin*, Spring 1993, Volume 12, Number 4. The effective withholding rate (total U.S. tax withheld divided by total income paid) is often lower than the statutory rate due to reciprocal tax treaties or exemptions.
- [23] The withholding tax provisions are imposed under Internal Revenue Code section 1446. The withholding rate on the effectively connected taxable income allocable to each foreign partner is equal to the highest tax rate imposed under Internal Revenue Code section 11(b)(1) for corporate foreign partners and Internal Revenue Code section 1 for noncorporate foreign partners. The foreign partners may credit the tax withheld against their U.S. income tax.
- [24] A nonresident alien is an individual who is not a citizen or resident of the United States.
- [25] U.S. persons include U.S. citizens, residents, domestic corporations, domestic partnerships, estates, and trusts.
- [26] To contact the Statistical Information Services office of the Statistics of Income Division, either phone (202) 874-0410 or write to the following address: P.O. Box 2608, Washington, D.C. 20013-2608.
- [27] For further information contact the Association of Public Data Users, 87 Prospect Avenue, Princeton, N. J. 08544, or phone (609) 258-6025.
- [28] *The American Statistics Index* and the *Index to International Statistics* are published by Congressional Information Services, Inc., 4530 East-West Highway, Bethesda, MD 20814; Phone 1-800-638-8380.

# Studies of International Income and Taxes

**Table 1.--Summary of International Studies**

Study	Primary tax forms	Study focus <sup>1</sup>	Filing entity <sup>2</sup>	Frequency and year of most recent study	Study data	Estimated population <sup>3</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>I. Corporate</b>						
A. Controlled Foreign Corporations (CFC's)	1120 5471	US	C	Annual, with odd-years scaled down beginning in 1992 (1988)	7,500 largest (in assets) CFC's of parents with \$500 million or more in assets	1,150 parents with 39,000 Forms 5471
B. Foreign Sales Corporations	1120-FSC	US	C	Every 4 years (1991)	Sample	3,500
C. Interest Charge-Domestic International Sales Corporations	1120-IC-DISC	US	C	Every 4 years (1991)	All returns	860
D. U.S. possessions corporations	1120 5735 940	US	C	Every 2 years (1989)	All returns	516
E. Corporate foreign tax credit	1120 1118	US	C	Annual, with odd-years scaled down (1990)	Sample	4,500
F. International boycotts	5713	US	I,P,C,E,T	Every year; large-scale every 4th year <sup>4</sup> (1991)	All returns	1,200
G. Domestic corporations controlled by foreign persons	1120	F	C	Every year (1990)	Sample	45,000
H. Foreign corporations with business income derived from U.S. sources	1120F 1120L 1120PC	F	C	Every year (1990)	Sample	10,000
I. Foreign-owned corporation transactions	1120 5472	F	C	Every year (1989)	U.S. corporations with \$1 billion or more in receipts (165 firms in 1989)	2,750 related foreign corporations
<b>II. Individual</b>						
A. Individual foreign tax credit and foreign earned income	1040 1116 2555	US	I	Every 5 years beginning with 1991 (1987)	Sample	Foreign tax credit - 561,000 Foreign earned income 171,000
B. Excluded income from U.S. possessions	1040 4563	US	I	Annually, starting year to be determined	All returns	To be determined
<b>III. Withholding Tax</b>						
A. Foreign recipients of U.S. income	1042S	F	I,P,C,E,T	Every year (1990)	All returns	1.3 million
B. Sales of U.S. real property interests by foreigners	8288 8288A	F	I,P,C,E,T	Every year (1990)	All returns	10,000
C. U.S. partnership income foreign partners	8804 8805	F	P	Every year (1990)	All returns	Partnerships -5,000 Foreign partners - 30,000
<b>IV. Estates and Trusts</b>						
A. Nonresident alien estates	706NA	F	E	Every 4 years (1990)	All returns	160
B. Foreign trusts	3520 3520A	US	T	Every 4 years (1990)	All returns	410

<sup>1</sup> Focus is on either the foreign activity of U.S. persons (US) or the U.S. activity of foreign persons (F).

<sup>2</sup> Tax forms may be filed by corporations (C), partnerships (P), individuals (I), estates (E) or trusts (T). Primary filing entities appear in bold italic.

<sup>3</sup> Based on the most recent study year.

<sup>4</sup> Tax year 1994 will be the focus of the next large-scale study.

# Studies of International Income and Taxes

**Table 2.--SOI Bulletin International Articles**

Study	Primary tax forms	Tax year, SOI Bulletin issue
Controlled Foreign Corporations	1120 5471	1988 - Fall 1992 (12-2), p.60 1986 - Summer 1991 (11-1), p.29 <sup>1</sup> 1984 - Spring 1990 (9-4), p.115 <sup>1</sup> 1984 - Fall 1989 (9-2), p.31 <sup>1</sup> 1982 - Winter 1986-87 (6-3), p.49 1982 - Summer 1986 (6-1), p.63 1980 - Fall 1984 (4-2), p.33 <sup>2</sup> 1980 - Spring 1984 (3-4), p.37 <sup>2</sup>
Foreign sales corporations	1120-FSC	1987 - Spring 1992 (11-4), p.59
Interest Charge-Domestic International Sales Corporations	1120-IC- DISC	1987 - Spring 1992 (11-4), p.69 1980 - Fall 1983 (3-2), p.9 <sup>2,3</sup>
U.S. possessions corporations	1120 5735 940	1989 - Fall 1992 (12-2), p.97 1987 - Summer 1991 (11-1), p.51 <sup>1</sup> 1985 - Compendium (1984-88), p.333 1983 - Spring 1988 (7-4), p.55 1982 - Compendium (1979-83), p.329 1980 - Spring 1983 (2-4), p.41 <sup>2</sup>
Corporate foreign tax credit	1120 1118	1988 - Summer 1992 (12-1), p.79 1986 - Winter 1990-91 (10-3), p.31 <sup>1</sup> 1986 - Fall 1990 (10-2), p.65 <sup>1</sup> 1984 - Winter 1989-90 (9-3), p.57 <sup>1</sup> 1982 - Fall 1986 (6-2), p.21 1982 - Spring 1986 (5-4), p.9 1980 - Winter 1984-85 (4-3), p.37 <sup>2</sup> 1980 - Summer 1984 (4-1), p.63 <sup>2</sup> 1978 - Winter 1982-83 (2-3), p.25 <sup>2</sup>
International boycotts	5713	1990 - Fall 1992 (12-2), p.88 1986 - Compendium (1984-88), p.349 1976-1982 - Summer 1985 (5-1), p.65 <sup>2</sup>
Domestic corporations controlled by foreign persons	1120	1990 - Fall 1993 (13-2), p.125 1989 - Winter 1992-93 (12-3), p.7 1988 - Fall 1991 (11-2), p.77 1987 - Summer 1990 (10-1), p.73 <sup>1</sup> 1984-85 - Spring 1989 (8-4), p.75 <sup>85 1</sup> 1983 - Summer 1987 (7-1), p.53
Foreign corporations with business income derived from U.S. sources	1120F 1120L 1120PC	1989 - Summer 1993 (13-1), p.81 1988 - Spring 1992 (11-4), p.39 1987 - Winter 1990-91 (10-3), p.7 <sup>1</sup> 1984-85 - Spring 1989 (8-4), p.75 <sup>1</sup> 1983 - Summer 1987 (7-1), p.53
Transaction of foreign-owned corporations	1120 5472	1989 - Spring 1993 (12-4), p.128 1988 - Summer 1992 (12-1), p.119

# Studies of International Income and Taxes

**Table 2.--SOI Bulletin International Articles--Continued**

Study	Primary tax forms	Tax year, SOI Bulletin issue
Individual foreign tax credit and foreign earned income	1040 1116 2555	1987 - Winter 1992-93 (12-3), p.85 1987 - Winter 1991-92 (11-3), p.13 1983 - Summer 1987 (7-1), p.69 <sup>1</sup>
Excluded income from U.S. possessions	1040 4563	1983 - Compendium (1979-1983), p.351
Foreign recipients of U.S. income	1042S	1990 - Spring 1993 (12-4), p.122 1989 - Spring 1992 (11-4), p.25 1988 - Winter 1990-91 (10-3), p.19 <sup>1</sup> 1987 - Winter 1989-90 (9-3), p.41 1986 - Winter 1988-89 (8-3), p.79 1985 - Fall 1987 (7-2), p.27 1984 - Fall 1986 (6-2), p.61 1983 - Fall 1985 (5-2), p.39 1982 - Fall 1984 (4-2), p.21 1981 - Summer 1983 (3-1), p.35 1980 - Summer 1982 (2-1), p.15 1971-79 - Spring 1982 (1-4), p.34
Sales of U.S. real property interests by foreigners	8288 8288A	No published data, summary data available by country
U.S. partnership income of foreign partners	8804 8805	1990 - Fall 1992 (12-2), p.90 1989 - Compendium (1984-88), p.401
Foreign trusts	3520 3520A	1990 - Winter 1992-93 (12-3), p.81 1986 - Spring 1988 (7-4), p.47 <sup>1</sup> 1979-1982 - Compendium (1979-83), p.427
Nonresident alien estates	706NA	1990 - Summer 1993 (13-1), p.77 1986 - Spring 1992 (11-4), p.51 1982 - Compendium (1979-83), p.437 <sup>1</sup>

<sup>1</sup> Also in Statistics of Income - Compendium of Studies of International Income and Taxes, 1984-1988.

<sup>2</sup> Also in Statistics of Income - Compendium of Studies of International Income and Taxes, 1979-1983.

<sup>3</sup> This article reports on the DISC provisions which existed prior to the Deficit Reduction Act of 1984.

# Private Foundations and Charitable Trusts, 1990

by Alicia Meckstroth

**P** rivate foundations, which held 16 percent of the total assets reported by all nonprofit charitable organizations for 1990, contribute billions of dollars each year to support charitable causes in such areas as education, health, human services, the arts and humanities, and the environment. Contributions and grants made by foundations for 1990 equaled \$8.9 billion, an increase of 10 percent over 1989. After experiencing a strong year for 1989 in terms of growth in both total assets and total revenues, foundations, nearly 40,200 in all, experienced a small decrease in revenues for 1990, but realized a steady increase in assets. Total foundation revenues fell by 2 percent, to \$19.5 billion, representing the third time in the past 4 years that revenues declined. The declining revenues resulted largely from a 17-percent decline in net gains from sales of assets and a 2-percent decline in the amount of contributions received. While total foundation assets grew by 9 percent, to \$164.8 billion, the increase represented less than half that of the previous year. Investments in securities represented the majority of total assets and equaled \$126.2 billion. Securities included holdings of corporate stock, which represented the largest portion of total foundation assets, 48 percent; followed by investments in U.S. and State Government obligations, 20 percent; and corporate bonds, 9 percent.

For 1990, over 2,600 charitable trusts filing under Internal Revenue Code section 4947(a)(1) held \$2.8 billion in total assets, realized \$269.7 million in total revenues, and distributed \$151.8 million in contributions and grants. The amount of grants given by these charitable trusts increased by 6 percent despite a 33-percent decrease in revenues and a 4-percent decrease in assets. Trusts are treated separately from private foundations in both the statistical and descriptive analyses that follow.

## An Overview of Foundation Revenue, Assets, and Grants

During the period 1986 to 1990, total foundation revenue fluctuated from year-to-year. Reporting Year 1990 was no exception, as foundations realized revenue that declined by 2 percent over 1989. Total revenue includes contributions received, interest and dividends, net gain (less loss) from sales of assets, gross rents and royalties, gross profit (or loss) from business activities, and miscellaneous income. While all of the different size groups of foundations, including the small "pass through" founda-

tions and the large "endowment-driven" foundations, realized declining revenues, the smaller foundations realized more significant declines. The sharp 17-percent decline in the amount of net gain (less loss) from sales of assets largely explains the drop in total foundation revenues. Foundations reported \$4.4 billion in gains and \$0.4 billion in losses for 1990. The gains were mainly from sales of investments in securities (e.g., corporate stocks and bonds and government obligations) [1]. While gains from the sales of assets fell by 11 percent, losses more than doubled, as a third of foundations that sold assets for 1990 reported a net loss. Figure A shows total amount and percentage changes for various revenue, asset, and expense items for 1990, while Figure B graphically displays the growth in revenue, assets, and grants from 1986 to 1990 [2,3].

**Figure A**

### Private Foundations: Percentage Increases in Selected Financial Items, 1989-1990

[Money amounts are in billions of dollars]

Item	Total amount	Percentage increase,
	1990	1989-1990
	(1)	(2)
<b>Fair market value of total assets.....</b>	<b>164.8</b>	<b>8.7</b>
Investments in securities, total.....	126.2	4.0
Investments in corporate stock.....	79.3	n.a.
Investments in corporate bonds.....	14.4	n.a.
Investments in U.S. and State Government obligations.....	32.5	n.a.
<b>Total revenue.....</b>	<b>19.5</b>	<b>-2.0</b>
Net gain (less loss) from sales of assets...	3.9	-16.6
Contributions, gifts, and grants received...	6.8	-1.8
Dividends and interest from securities.....	6.4	7.2
<b>Total expenses.....</b>	<b>11.7</b>	<b>9.1</b>
Contributions, gifts, and grants paid.....	8.9	9.5
<b>Excess of revenue (less loss) over expenses.....</b>	<b>7.8</b>	<b>-15.0</b>

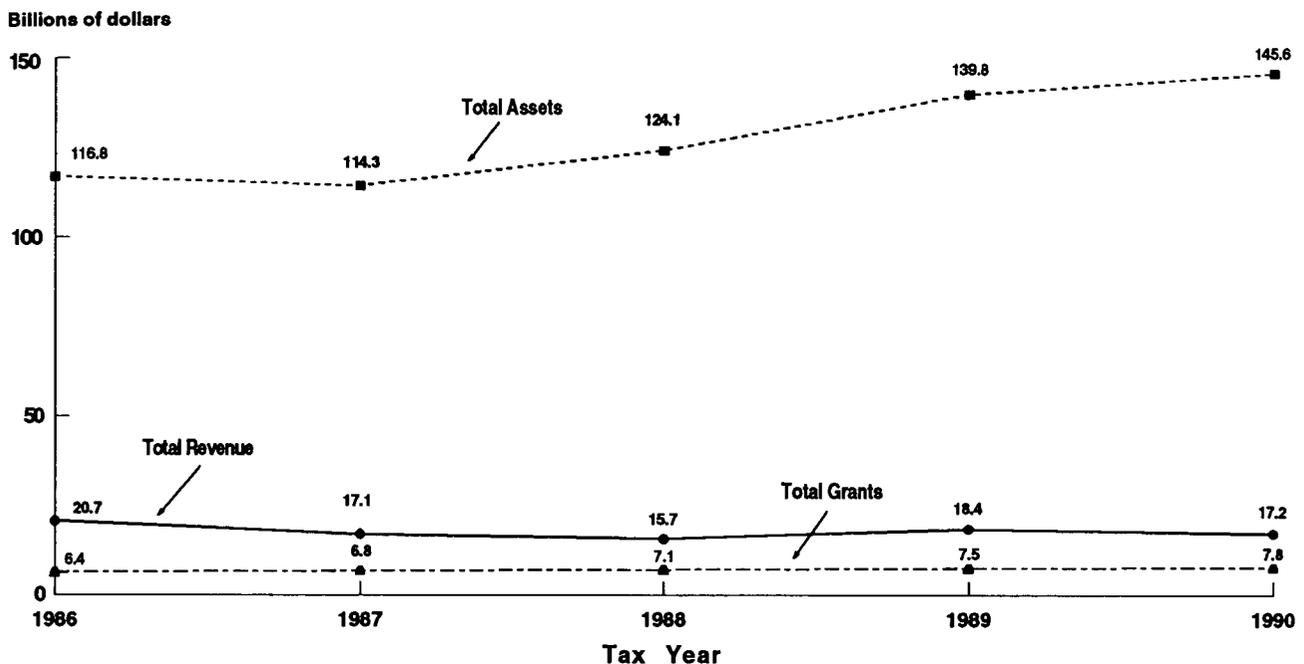
n.a. - Not available.

While total foundation revenue both increased and decreased over the last part of the 1980's and into 1990, foundation assets generally grew steadily. Real revenue actually declined by 17 percent from 1986 to 1990, while real assets increased by 25 percent. The growing assets of foundations helped them to increase total grants at nearly the same rate, 23 percent, over the same time period. This trend was particularly true of the large foundations, those holding \$50 million or more in assets. While assets of the large foundations grew by 37 percent from 1986 to 1990, the amount of grants which they distributed increased by 33 percent. This compares to a real increase in both assets

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Figure B

Private Foundations: Real Growth in Revenue, Assets, and Grants, 1986-1990<sup>1</sup>



NOTE: Charitable distributions represent "contributions, gifts, and grants paid" and total assets represent "fair market value of total assets," both from Form 990 PF.

<sup>1</sup> The 1987 gross domestic product (GDP) implicit price deflator was used to adjust for inflation.

and grants of only 1.0 percent and 0.1 percent, respectively, for the small foundations, those holding less than \$1 million in assets.

Comparisons of the different size classes of foundations based on fair market value of assets are discussed throughout this article. The following classifications apply throughout, unless otherwise indicated: the "smallest foundations" refers to the group holding less than \$100,000 in assets (excluding foundations that either do not report assets or that report assets equal to zero); "small foundations" refers to the group holding less than \$1 million in assets (excluding foundations that either do not report assets or that report assets equal to zero); "medium-size foundations" refers to the group holding from \$1 million to less than \$50 million in assets; "large foundations" refers to the group holding \$50 million or more in assets; and, the "largest foundations" refers to the group holding \$100 million or more in assets.

**Statistics of Income Studies**

The statistics presented in this article on both private foundations and charitable trusts (those trusts defined

under Internal Revenue Code section 4947(a)(1)) are based on sample data from Form 990-PF, *Return of Private Foundation (or Section 4947(a)(1) Charitable Trust Treated as a Private Foundation)*, the annual information return filed by these organizations [4]. The 1990 study year represents only the second time since 1979 that Statistics of Income has collected data on the 4947(a)(1) charitable trusts that are treated as private foundations. Statistical studies on private foundations have previously been conducted for Reporting Years 1974, 1979, 1982, 1983, and 1985 through 1989 [5].

**Private Foundations: Organizations, Activities, and Legislative Background**

A private foundation is a nonprofit, tax-exempt corporation, association, or trust which is narrowly supported and controlled, usually by an individual, family, or corporation. It is this narrow base of support and control which differentiates a private foundation from a publicly supported tax-exempt charitable organization, although both receive tax exemption under section 501(c)(3) [6]. The other 501(c)(3) organizations, those which file the

Form 990, *Return of Organization Exempt From Income Tax*, generally receive broad support from a large number of sources within the general public. Because of their centralized support and control, private foundations are more strictly regulated than the other section 501(c)(3) organizations. Private foundations represent approximately 22 percent of the total number of 501(c)(3) tax-exempt organizations that file information returns with the Internal Revenue Service (IRS). Of these organizations, foundations hold approximately 16 percent of the book value of total assets, but earn only 5 percent of the total revenue. The number of private foundations increased by nearly 4 percent from 1989 to 1990.

The charitable trusts filing under section 4947(a)(1) that are included in this article are treated separately in both the statistical and descriptive analyses. Information on the characteristics and behavior of these charitable trusts can be found beginning with the section, Charitable Trusts Described in Section 4947(a)(1). These trusts are typically supported and controlled by an individual or family and, like foundations, they file the Form 990-PF. Other charitable trusts, which receive the majority of their support from public, rather than private sources, file the Form 990. Split-interest trusts, which have both charitable and noncharitable beneficiaries, file the Form 5227, *Split-Interest Trust Information Return*. These latter two varieties of trusts are *not* covered in this article. To note, trusts represent 6 percent of the total number of Form 990-PF filers. The trusts examined here are subject to the same charitable distribution and excise tax requirements as private foundations. One difference between the two, however, is that the 4947(a)(1) trusts are not entirely exempt from Federal income tax, as are the private foundations. The trusts must pay an annual tax on their income (usually from investments) that is not distributed for charitable purposes. A further description of the characteristics, behavior, and requirements of foundations and trusts follows. The same background information and requirements apply to both types of Form 990-PF filers unless otherwise noted [7].

The two types of private foundations, "operating" and "nonoperating," are distinguished by the type of charitable support they provide. Nonoperating foundations generally provide indirect charitable support by making grants to other nonprofit organizations that conduct

**Private foundations represent about 22 percent of the charitable organizations filing with the Internal Revenue Service.**

charitable programs of their own [8]. Nonoperating foundations are annually required to distribute (typically through grants or related expenses) a minimum amount for charitable purposes, the "distributable amount." If they do not distribute the required amount in the current year, they have until the following year to fulfill the charitable distribution requirement without penalty. The minimum required amount is based on the value of their "net investment assets" (also known as "noncharitable-use assets").

If an organization is sufficiently involved in the direct operation of its charitable activities, then it can qualify as an operating foundation and is exempted from the charitable distribution requirement that applies to nonoperating foundations. Although operating foundations are not subject to the annual payout requirement, many choose to make grants in addition to carrying on charitable programs of their own. For a further explanation of the requirements of operating foundations, see operating foundations (and section 4947(a)(1) trusts) in the Explanation of Selected Terms section.

Individual income tax deductions for contributions to nonoperating foundations are generally more restrictive than deductions for contributions made to operating foundations or other section 501(c)(3) organizations. Contributions that either establish or support a nonoperating foundation qualify for a Federal tax deduction of up to 30 percent of the donor's "adjusted gross income" (AGI). This compares to a deduction limit of 50-percent of AGI for donations to operating foundations and to other 501(c)(3) nonprofit charitable organizations (Form 990 filers).

Passage of the Tax Reform Act of 1969 (TRA 69) subjected foundations to an excise tax on "net investment income" for the first time. While most foundations pay the excise tax, some operating foundations are exempt from the tax. For a further explanation of exempt operating foundations, refer to operating foundations in the Explanation of Selected Terms section. TRA 69 also imposed a series of penalty taxes on foundations that engage in "prohibited activities" which were deemed not to be in the public interest. These taxes apply to any foundation that attempts to influence legislation by contacting legislators, encouraging the public to contact legislators, or participating in the campaign of a candidate for public office; any foundation that engages in certain financial transactions with persons having a relationship with the foundation, such as substantial donors or officers, directors, or trustees of the foundation; any foundation which owns holdings in a business enterprise deemed to be excessive or which makes investments deemed to jeopardize the charitable

purpose of the foundation; and any nonoperating foundation that fails to distribute the required minimum payout after a 1-year grace period.

Of the estimated 40,200 private foundations filing 1990 Form 990-PF information returns, 92 percent were nonoperating foundations and the remaining 8 percent were operating foundations, virtually the same percentages as prior years. Close to 33,300, or 83 percent of all foundations, made grants for 1990, and thus were categorized as grantmaking foundations. Over 86 percent of the nonoperating foundations and 44 percent of the operating foundations made grants for 1990. Of the nongrantmaking foundations, 26 percent were operating foundations; 34 percent were nonoperating foundations that made other types of disbursements in order to satisfy the charitable distribution requirement; 21 percent were nonoperating foundations that were not required to make a minimum distribution; and the remainder were nonoperating foundations that did not fully make the required distribution for 1990 and legally had until the end of their 1991 accounting period to do so without tax penalty. Some of the non-grantmaking foundations described above were "failed public charities" that had been reclassified by the IRS as nonoperating foundations. Many of these charities continued to operate direct charitable programs rather than make grants to other nonprofit organizations [9]. The types of disbursements, other than grants, made by foundations include operating and administrative expenses used in the conduct of charitable programs or activities; amounts paid to acquire charitable-use assets; charitable "set-asides" for future time periods; and program-related investments. All of these expenditures count towards a foundation's charitable distribution requirement.

Foreign foundations (those foundations organized abroad) comprise a small portion of the foundation population. A foreign foundation filing Form 990-PF generally files because it received some degree of support from either U.S. citizens or corporations. These foundations may or may not have chosen to distribute charitable grants within the United States. The IRS required that foreign foundations, like domestic foundations, pay an excise tax on investment income. While the excise tax equals 2 percent of net investment income for the majority of domestic foundations, the tax on foreign foundations equals 4 percent of their gross investment income which is derived from U.S. sources.

**Top Ten Domestic Foundations**

For 1990, three-quarters of all foundations held less than \$1 million in total assets. The largest foundations, those holding \$100 million or more in total assets, only com-

prised 0.5 percent of all foundations, but held close to three-fifths of total foundation assets, realized well over two-fifths of total revenue, and distributed nearly two-fifths of total grants for 1990. In contrast, the small foundations held only 4 percent of total assets, realized 8 percent of total revenue, and distributed 12 percent of total grants.

The top ten domestic foundations, displayed in Figure C by asset size, held one-fifth of total foundation assets and distributed over one-tenth of total foundation grants, \$33 billion and \$1 billion, respectively [10]. The relatively new Annenberg Foundation surpassed the Kresge Foundation to reach the "top ten" category for 1990. The assets of both the Ford and Kellogg Foundations rebounded from losses realized for 1989; Ford Foundation assets increased by 14 percent for 1990, while Kellogg's increased by an impressive 54 percent, due, in large part, to a surge in the value of the Kellogg Company stock [11]. The Ford Foundation had an accounting period ending in September 1991, and the two Kellogg Foundations, in August 1991; therefore much of their activity

**Figure C**

**Top Ten Domestic Private Foundations, by Size of Fair Market Value of Total Assets, 1990**

[Money amounts are in millions of dollars]

Name	State	Total assets	Total grants paid
1. Ford Foundation.....	NY	6,304	241
2. J. Paul Getty Trust <sup>1</sup> .....	CA	5,252	8
3. W.K. Kellogg Foundation Trust/W.K. Kellogg Foundation <sup>2</sup> .....	MI	5,010	144
4. Lilly Endowment, Inc.....	IN	3,198	109
5. John D. and Catherine T. MacArthur Foundation.....	IL	3,198	116
6. Robert Wood Johnson Foundation.....	NJ	2,919	66
7. Pew Memorial Trust.....	PA	1,994	86
8. Rockefeller Foundation.....	NY	1,963	74
9. Andrew W. Mellon Foundation.....	NY	1,831	74
10. Annenberg Foundation.....	PA	1,303	55
<b>Total</b>		<b>32,972</b>	<b>973</b>

<sup>1</sup> The J. Paul Getty Trust is an operating foundation. All other foundations listed are nonoperating foundations.

<sup>2</sup> The W. K. Kellogg Foundation Trust (classified as a private foundation and not as a section 4947(a)(1) charitable trust) is located in New York and has a "pass-through" relationship with the W. K. Kellogg Foundation, located in Michigan. Typically, the entire amount of the annual qualifying (charitable) distributions of the W. K. Kellogg Foundation Trust is made in the form of a grant to the W. K. Kellogg Foundation, which redistributes the grant for charitable purposes (and does not count the redistribution as a qualifying distribution of its own). The combined total assets of the two organizations are shown in the "Total assets" column, but the "pass-through" grant of the W. K. Kellogg Foundation Trust is excluded from the "Total grants paid" column in order to avoid duplication.

occurred in Calendar Year 1991. In contrast, four out of six of the top foundations having Calendar Year 1990 accounting periods realized declining assets from 1989 to 1990. These included the MacArthur, Pew, Rockefeller, and Mellon Foundations. The dip in the stock market in the last quarter of 1990 may have somewhat influenced their declining asset values.

Despite the losses of these top foundations, the large foundations as a group realized notably greater increases in assets for 1990 than the small- and medium-size groups. While the assets of both the top ten foundations and the large size group each grew by 10 percent, those of the medium size group grew by 8 percent; and those of the small group, by only 1 percent. The large foundations were highly concentrated in the most populated States, including New York, California, Texas, Pennsylvania, Michigan, and Illinois.

### Sources of Foundation Revenue

Foundations realized declining revenues for the third time in the past 4 years, as total revenues declined by 2 percent for 1990, to \$19.5 billion. The large foundations, which earn over half of all foundation revenues, realized the smallest decline, only a third of a percentage point. The small- and medium-size foundations earned revenues which declined by approximately 3.5 percent over 1989. Figure D displays the sources of foundation revenue for 1990 for all foundations and for three different groups, "small," "medium," and "large."

The chart for total foundation revenue reveals that a third of total revenue came from contributions received by foundations; another third, from dividends and interest from securities; and a fifth, from net gains from sales of assets. Smaller amounts were earned from interest on savings and temporary cash investments and "other" sources. While the small foundations obtained 70 percent of their revenue from contributions, the large foundations obtained less than 20 percent in this manner. Similarly, while the large foundations earned over 70 percent from the combination of net gains from sales of assets and dividends and interest from securities, the small foundations earned less than 20 percent from these two investment sources. As in earlier years, the trends show that as the size of the foundation increases, the proportion of revenue from contributions declines and the proportion from investment income rises.

An examination of the actual number of small and large foundations receiving contributions and earning investment income shows that the large foundations may be a somewhat more homogeneous group relative to the small foundations. Of the large foundations, nearly all, or

97 percent, earned dividends and interest from securities; 92 percent realized net gains from sales of assets; and only 39 percent received contributions. In contrast, 55 percent of the small foundations earned dividends and interest from securities; only 28 percent realized net gains from sales of assets; and fewer than half, or 46 percent, received contributions.

Large decreases for many foundations in the size of net gains from sales of assets contributed to the decline in total foundation revenue. Despite the fact that the small foundations received only 4 percent of revenue from net gains from sales of assets, a 60-percent decline in net gains contributed to the decline in total revenues for these foundations. Smaller decreases of 3 percent for dividends and interest from securities and 7 percent for interest from savings and temporary cash investments also contributed to the declining revenues for the small foundations. However, contributions received by the small foundations, their primary source of revenue, increased by 4 percent over 1989. The large foundations, like the small foundations, realized the greatest loss in their least significant revenue item. This group realized a 12-percent decline in the amount of contributions received and only a 2-percent decline in net gains from asset sales.

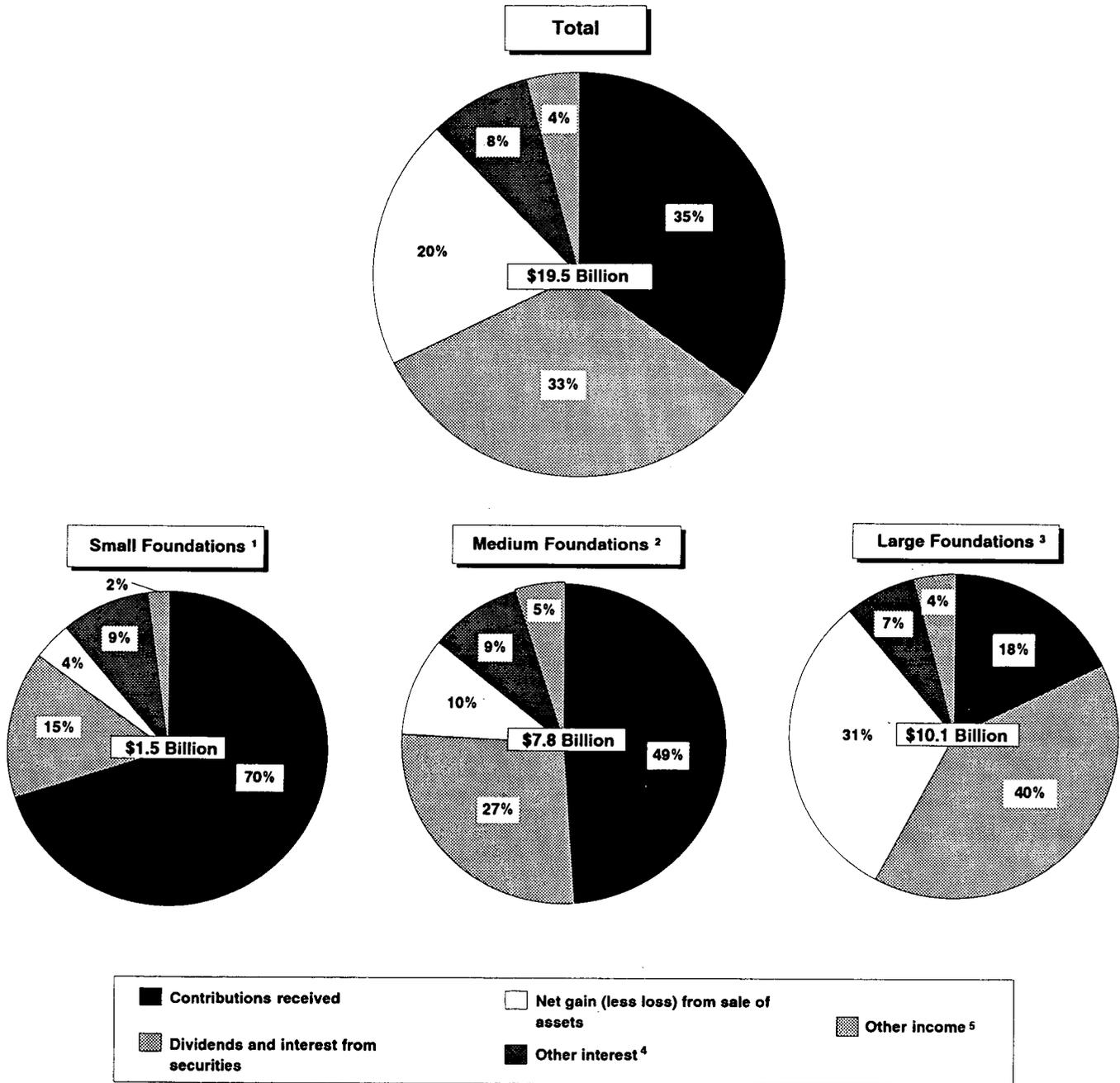
Reporting Year 1990 represented the first year for which information on the "unrelated business" activities of private foundations was available from the Form 990-PF. Only 3 percent of foundations reported a total of \$118.6 million in "unrelated business income" (UBI) for 1990. This represented only 1 percent of total revenue as reported in the "Analysis of Income-Producing Activities" schedule on the Form 990-PF. A tax was levied on the unrelated business income of foundations as reported on the Form 990-T, *Exempt Organization Business Income Tax Return*. The most common unrelated business activities of foundations included commercial banking; security exchanges and services; miscellaneous holding and investment offices; debt-financed activities other than rental or real estate; "passive income" activities with controlled organizations; and crude petroleum, natural gas, and other forms of mining.

The section on the "Analysis of Income-Producing Activities" categorizes total foundation revenue (with the exception of contributions) as either "unrelated business income," "excluded income," or "related or exempt function income." Total foundation revenue, as discussed above and as shown in Figure D, includes all of these three types of income. While only 1 percent of all revenue was reported as UBI, the vast majority of foundation revenue, 89 percent, was reported as excluded income, with the remaining 10 percent reported as income which

# Private Foundations and Charitable Trusts, 1990

**Figure D**

**Sources of Private Foundation Revenue, by Size of Foundation, 1990**



<sup>1</sup> Small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.  
<sup>2</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.  
<sup>3</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.  
<sup>4</sup> Represents "Interest on savings and temporary cash investments," as reported on Form 990-PF.  
<sup>5</sup> Includes "Gross rents" and "Gross profit (or loss)" as reported on Form 990-PF, as well as items such as imputed interest on deferred payments and program-related investment income.  
 NOTE: Percentages may not add to 100 percent because of rounding.

was (directly) related to the foundation's exempt, charitable purpose [12]. Excluded income represents income which was not directly related to the tax-exempt, charitable function of the foundation and which was excluded or exempted from the tax on unrelated business income. Generally, dividends, interest, rental income, and gains from sales of investment assets were all considered excluded income.

In terms of the different types of income, the small foundations tended to report greater than average percentages of income as UBI and exempt function income, 2 percent and 37 percent, respectively, and a smaller percentage as excluded income, 61 percent. In contrast, the large foundations reported 0.5 percent as UBI, 94 percent as excluded income, and 5 percent as exempt function income.

### **Excise Tax on Net Investment Income**

The excise tax on the net investment income of private foundations was enacted as part of TRA 69. Originally, it was levied in order to provide funds for IRS oversight of foundation activities and enforcement of laws governing their exempt status. Domestic foundations generally are liable for a tax equal to 2 percent of their net investment income and foreign foundations for an excise tax equal to 4 percent of their gross investment income. Domestic organizations compute the excise tax based on investment income from all sources, while foreign organizations compute the tax based on investment income from U.S. sources only. Some foreign foundations, classified as "exempt foreign foundations," are not subject to the charitable payout requirement, but still are required to pay the excise tax on investment income. Exempt foreign foundations typically receive at least 85 percent of their support from sources outside of the United States. Due to special treaty provisions with the United States, all Canadian foundations are exempted from the excise tax, regardless of whether or not they are considered "exempt foreign foundations." Additionally, operating foundations, by meeting several requirements that show extensive public support, can be exempted from the excise tax on net investment income. Nearly a quarter of all operating foundations were exempted from the excise tax for 1990. For a complete discussion of the requirements for exempt operating foundations, see operating foundations in the Explanation of Selected Terms section.

One provision of the Deficit Reduction Act of 1984 allows any domestic foundation to reduce the annual 2-percent excise tax to 1-percent, if, simply stated, the foundation shows improvement in the rate at which it paid out charitable dollars. Specifically, if current "qualifying

distributions" exceed a 5-year average of qualifying distributions plus 1 percent of current net investment income, a foundation qualifies for the reduced tax. Qualifying for the reduced tax is not affected by whether a foundation's charitable payout rate exceeds the required 5 percent; it is affected, however, by the level of increase in a foundation's payout rate.

Net investment income, on which the excise tax is based, decreased by 1 percent to \$12.0 billion from 1989 to 1990. A decrease in capital gain income of 8 percent helps to explain the overall decline. (For a complete definition of net investment income and a further explanation of capital gain net income and how it differs from net gain (or loss) from sales of assets, see the appropriate entries in the Explanation of Selected Terms section.) For 1990, foundations reported excise tax on net investment income of \$155.9 million, which includes \$0.9 million from foreign foundations. The total tax reported represents a decline of 6 percent compared to 1989. Figure E displays selected statistics on the excise tax by size of foundation. Nearly two-fifths of all foundations increased the rate at which they paid out charitable dollars for 1990, thereby qualifying for the reduced 1 percent excise tax. A greater percentage of the large foundations qualified for the reduced tax compared to the small foundations, 55 percent versus 37 percent.

### **Foundation Assets and Investments**

Despite declines in total revenue, foundation assets for 1990 continued to grow for the third time in as many years. Total foundation assets reached \$164.8 billion, an increase of 9 percent over 1989. Assets for each of the three size groups increased as well, the large group by 10 percent, the medium-size group by 8 percent, and the small group by only 1 percent. A 10-percent decline in the small foundations' investments in securities largely explains their relatively small gain in total assets. Both the medium and large foundations increased their investments in securities, although at smaller rates than the increases in total assets. Investments in securities include investments in U.S. and State Government obligations, corporate stocks, and corporate bonds. Reporting Year 1990 represents the first year since 1979 for which the IRS required foundations to report separately the value of each of these types of securities on the Form 990-PF.

Total investment assets equaled \$156.2 billion, representing 95 percent of foundation assets for 1990. Investment assets include savings and temporary cash investments; U.S. and State Government obligations; corporate stocks; corporate bonds; land, buildings, and equipment; mortgage loans; and "other" investments. Non-investment

# Private Foundations and Charitable Trusts, 1990

**Figure E**

## Private Foundations Reporting Excise Tax on Net Investment Income, by Size of Foundation, 1990

[Money amounts are in millions of dollars]

Item	Total <sup>1</sup>	Small foundations <sup>2</sup>	Medium foundations <sup>3</sup>	Large foundations <sup>4</sup>
	(1)	(2)	(3)	(4)
Number of foundations.....	33,628	24,532	8,455	373
Percentage of all foundations.....	84	83	95	94
Net investment income (NII).....	11,966.4	494.2	3,712.5	7,752.8
Excise tax.....	155.9	7.4	54.3	94.0
Percentage of foundations reporting:				
1 percent tax.....	39	37	45	55
2 percent tax.....	61	63	54	43
4 percent tax.....	( <sup>5</sup> )	--	( <sup>5</sup> )	2

<sup>1</sup> Includes 268 foundations with assets unreported or equal to zero, which are not shown separately. These foundations earned \$7.0 million in net investment income and paid excise tax of \$0.1 million.

<sup>2</sup> Small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.

<sup>3</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.

<sup>4</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

<sup>5</sup> Less than 0.5 percent.

assets include non-interest bearing cash; land, buildings, and equipment used in the direct operation of a foundation's charitable activities; various receivables; inventories for sale or use; prepaid expenses and deferred charges; and "other" assets, which include items such as deferred income, escrow deposits, interest-free or low-interest loans made for charitable purposes, and program-related investments. Total investment assets increased by 10 percent over 1989. Investments in securities, alone, valued at \$126.2 billion for 1990, represented 77 percent of total assets. Nearly two-thirds of all securities, or \$79.3 billion, were held in the form of corporate stock, with approximately one-quarter and one-tenth of securities held in the form of U.S. and State Government obligations and corporate bonds, respectively.

As foundations grow in size, they tend to engage in more sophisticated investment practices and hold greater proportions of investment assets, particularly corporate stock. For 1990, while the large foundations held 97 percent of all assets as investments, the small foundations held only 84 percent. Figure F displays the composition of investment assets for small, medium, and large-size foundations. While the large foundations held 83 percent of all investments as a combination of corporate stocks, corporate bonds, and Government obligations, the small foundations held only 60 percent in this manner. Holdings of corporate stock represented the most popular type of investment by foundations in general, with small foundations holding a third of assets in this manner and large foundations, well over half.

As foundations grow in size, they tend to hold fewer assets in the form of savings and temporary cash investments and more as investments in corporate stock. For

1990, the small foundations held 29 percent of their investment assets as savings and temporary cash investments, compared to 6 percent for the large foundations. The proportion of investments held as Government obligations and corporate bonds indicates no obvious pattern across the different size groups. In terms of holdings of non-investment assets, small foundations held 16 percent of total assets in this manner, compared to only 3 percent for the large foundations. For example, small foundations held 6 percent of total assets as non-interest-bearing cash, compared to only 0.2 percent for the large foundations. The distribution of assets by the different size groups may indicate that many of the small foundations have less of a preference for risky investments and more of a preference for asset liquidity.

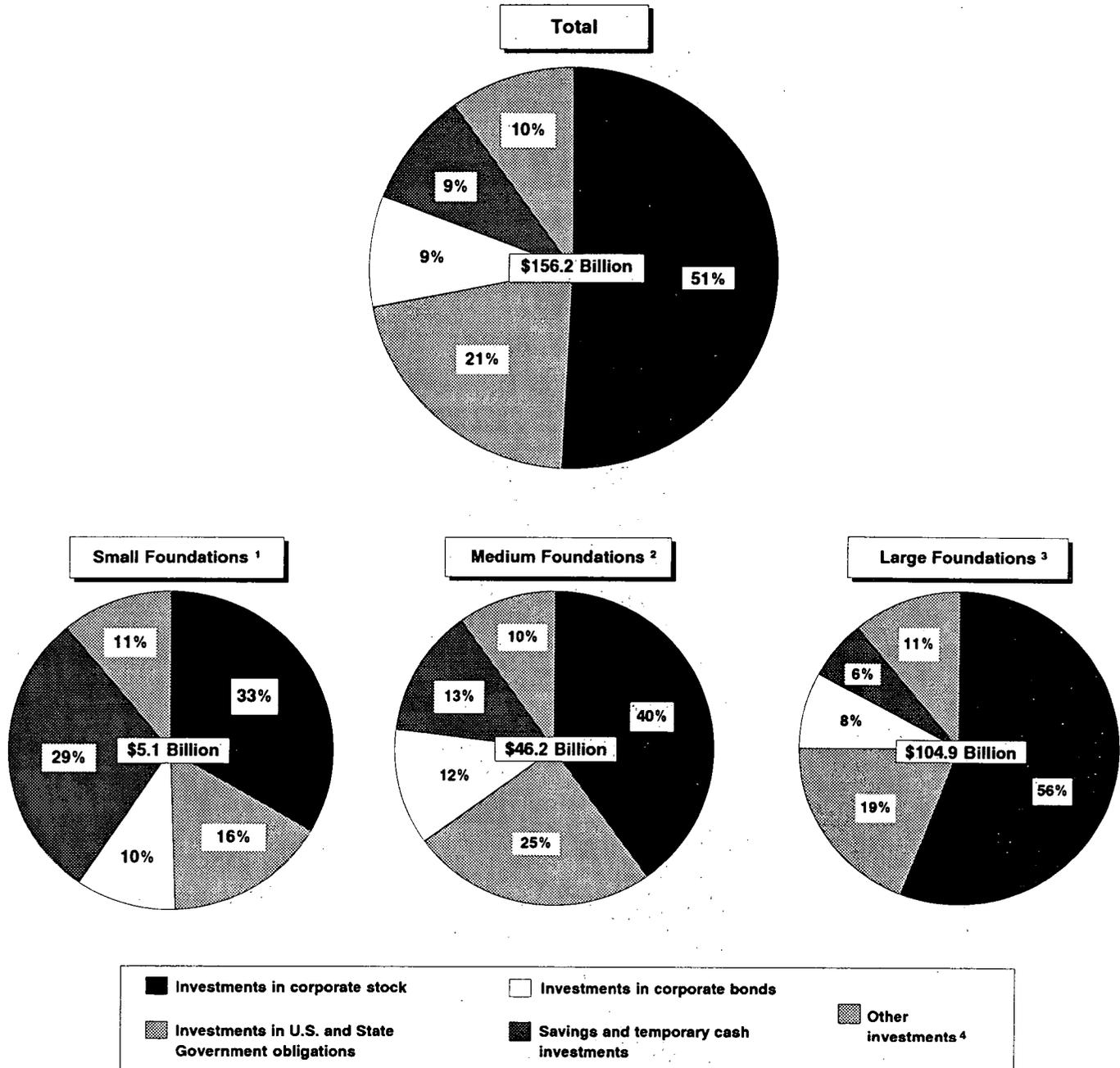
### Different Investment Behavior and Results

Generally, the larger the asset size of a foundation, the more it tends to emphasize the management and growth of its endowment as a means by which to fund charitable giving, both now and in the future. Unlike other nonprofit charitable organizations, (nonoperating) foundations most often distribute grants in order to fulfill their charitable purpose. Because of the relative freedom that foundations have in the investment of their tax-exempt endowments, they are subject to a minimum distribution or charitable payout requirement. Allowing for certain exceptions, they must annually distribute for charitable purposes an amount that equals 5-percent of the average value of their net investment assets. (For an explanation and discussion of the payout requirement, see the sections beginning with The Charitable Distribution (or Payout) Requirement.) In order to fund charitable activity without reducing the

# Private Foundations and Charitable Trusts, 1990

**Figure F**

## Composition of Private Foundation Investment Assets, by Size of Foundation, 1990



<sup>1</sup> Small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.

<sup>2</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.

<sup>3</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

<sup>4</sup> Sum of "Investments in land, buildings, and equipment (less accumulated depreciation)," "Investments in mortgage loans," and "Other investments," as reported on the Form 990-PF. "Other investments" includes items such as advances; certificates of investment; industrial development bonds; and investments in art, coins, gold, and gems.

NOTE: Percentages may not add to 100 percent because of rounding.

value of their endowment, a foundation must earn an average "rate of total return on assets" (defined below) that equals at least 5 percent plus the costs of investment and the rate of inflation. For many foundations, especially the larger ones, this represents an important goal.

Different sizes of foundations tend to have different charitable and investment objectives [13]. For example, larger foundations may tend to operate with more of a long-term focus. They may invest and manage their assets in order to maintain or increase the size of their endowments by earning income and realizing a total return on assets which will allow them both to meet the annual 5-percent payout requirement and to use any remainder to increase their investment portfolio. Many of the large foundations pay out close to 5 percent of their net investment assets to charitable causes each year. The large foundations hold a greater proportion of assets as investments in securities, including a greater proportion as corporate stock. Holdings of corporate stock tend to have greater risk but also higher returns, compared to other investment holdings. Larger foundations may also tend to possess the resources necessary to use sophisticated investment management services. For these reasons, the larger foundations typically earn higher rates of total return on assets than do the smaller foundations.

Many of the smaller foundations do not possess the resources necessary to use sophisticated investment and risk management techniques and may not have the same incentives to perpetuate the endowment of the foundation. They tend to hold lower-risk and lower-return assets than the larger foundations [14]. Moreover, they may operate with more of a short-term focus in order to distribute large contributions currently, so as to direct their resources to present concerns and immediate needs [15]. Often, many of the smaller foundations act as conduits or "pass-through" organizations. In this role, those that receive contributions may distribute them as qualifying distributions in that same year or in the next. The small foundations rely much more on contributions as a source of revenue compared to other foundations. However, in a sample survey of foundations, it was found that only 2 percent of small foundations actually determine their charitable payout level based on the contributions which they receive [16].

Currently, legislation has been proposed to create a tax-exempt, pooled investment fund for foundations. The proposed Investment Fund for Foundations enjoys great support within the foundation community. It was modeled after The Common Fund for educational institutions and, if approved, will operate as a section 501(c)(3)

nonprofit charitable organization. By providing investment management services, a variety of investing options, and educational programs on investing, the proposed fund would help foundations, particularly the smaller ones, to increase their long-run investment performance. The fund would allow foundations to pool both their investment assets and risks and to benefit from professional investment management services. The returns on the pooled investments are likely to increase the endowments of participating foundations and ultimately help them to fund an increased level of charitable giving. To note, the large foundations, which typically benefit from professional investment management services, increased the amount of their assets and charitable distributions at the greatest rate from 1986 to 1990 while "paying out" the smallest percentage of their assets as charitable distributions. (This result is discussed in greater detail in the section, Asset Growth, Distribution Goals, and Decision-Making.)

### Income Yields

The "income yield" measures the realized investment income earned by a foundation on its investment assets. Figure G shows median net investment income yields for nonoperating foundations for 1990, as well as for 1986 to 1989. The net investment income yield, or the NII yield, was calculated by dividing net investment income by the end-of-year fair market value of investment assets [17]. Only nonoperating foundations were analyzed since only they are subject to the charitable payout requirement, discussed below. The use of only nonoperating foundations in the analysis here and in the sections which follow allows for comparisons of the NII yields, rates of total return, and payout rates.

During the entire 1986 to 1990 time period, the median NII yield remained relatively constant, between 7.1 and 7.7 percent. The total foundation NII yield declined from 7.7 percent for 1989 to 7.1 percent for 1990. Likewise, yields declined for each of the different size groups for 1990. For instance, the largest foundations realized a yield of 6.6 percent, compared to 8.1 percent for 1989. The slight decline in net investment income, coupled with the increase in the value of investment assets helps to explain the declining yields. The large foundations typically tend to earn slightly higher NII yields than the smaller foundations, although Reporting Year 1990 represents an exception. For 1990, the large foundations actually realized lower median yields than all of the other size groups with the exception of the smallest. The distribution of the NII yield data is positively skewed, as the mean yields are higher than the medians for all of the foundation size

# Private Foundations and Charitable Trusts, 1990

**Figure G**

## Nonoperating Private Foundation Net Investment Income (NII) Yields, by Size of Fair Market Value of Total Assets, 1986-1990

Size of fair market value of total assets	Median NII yields (percentages)				
	1986 (1)	1987 (2)	1988 (3)	1989 (4)	1990 (5)
<b>All nonoperating foundations.....</b>	<b>7.5</b>	<b>7.2</b>	<b>7.2</b>	<b>7.7</b>	<b>7.1</b>
<b>Small foundations</b>					
\$1 under \$100,000.....	6.3	6.4	6.6	6.8	6.4
\$100,000 under \$1,000,000.....	7.8	7.4	7.3	8.0	7.3
<b>Medium foundations</b>					
\$1,000,000 under \$10,000,000.....	8.7	8.1	7.6	8.0	7.1
\$10,000,000 under \$50,000,000.....	11.1	9.4	7.6	8.2	7.2
<b>Large foundations</b>					
\$50,000,000 under \$100,000,000.....	11.2	9.0	7.4	8.6	6.7
\$100,000,000 or more.....	9.9	8.9	7.3	8.1	6.6

NOTE: The NII yields equal net investment income divided by end-of-year fair market value of investment assets.

groups for each of the years displayed. Generally, the smaller the size of the foundation, the greater the difference between the mean yield and the median yield.

### Rates of Total Return

The rate of total return is a measurement of the total capital appreciation of the endowment of a foundation. An examination of rates of total return on assets helps to show differences among the different sizes of nonoperating foundations. Figure H shows median rates of total return on nonoperating foundation assets for 1986 to 1990. A comparison with the charitable payout rates, discussed below, helps to further the understanding of the different sizes of foundations. Consistently strong rates of total return tend to lead to increased long-run giving power. The rate of total return formula used here measures the change in the value of the entire asset base with considerations for inflows and outflows of money [18]. The formula adjusts for inflation and measures the realized income from assets, investments, and otherwise, as well as the unrealized appreciation or depreciation in the fair market value of assets.

Median foundation rates of total return on assets for 1990 reached their lowest level since 1987, the year of the October stock market decline. Returns for the largest nonoperating foundations fell from a real rate of 12.7 percent for 1989 to only 1.3 percent for 1990. In contrast, rates of total return of the smallest foundations fell from 2.0 percent for 1989 to 1.4 percent for 1990. Large foundations typically earn much higher rates of total return. Generally, as the holdings of investment assets increase, so do the total returns on assets. The decline in the stock market in the last quarter of 1990 may have contributed to the lower returns on assets realized by

many foundations. Here, too, the distribution of the rate of total return data is positively skewed, since the mean returns on assets are higher than the medians for all of the foundation size groups for each of the years studied.

Private foundation investments generally achieve favorable returns when compared to market indexes. One study, performed by Salamon and Voytek, examined foundation investment performance over a multi-year period and related it to a composite market index comprised of the Standard & Poor's Stock Index, the Salamon Brothers Bond Index, and the U.S. Treasury Bill rate [19]. Results showed that the total return of the median foundation exceeded the market index by 2 percentage points during the period 1979-1981. As expected, the total return of the larger foundations exceeded the market index by a greater amount than the total return of the smaller foundations. During the 1982-1986 period, the most recent examined in the Salamon and Voytek study, the total return of the median foundation fell below the market index by 2 percentage points, although the total return of the large foundations did exceed the market index by nearly 1 percentage point.

### The Charitable Distribution (or Payout) Requirement

To note, the following discussion of the charitable distribution requirement and the payout rate excludes operating foundations since they are not subject to the payout requirement. Therefore, all references to foundations in this section and in the sections that follow are to nonoperating foundations, unless otherwise indicated. For reasons of comparability, the operating foundations were also excluded from median net investment income yields and rates of total return, discussed previously.

# Private Foundations and Charitable Trusts, 1990

**Figure H**

**Nonoperating Private Foundation Rates of Total Return on Assets, by Size of Fair Market Value of Total Assets, 1986-1990**

Size of fair market value of total assets	Median rates of total return (percentages) <sup>1</sup>				
	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)
<b>All nonoperating foundations.....</b>	<b>n.a</b>	<b>n.a</b>	<b>n.a</b>	<b>4.3</b>	<b>2.4</b>
<b>Small foundations</b>					
\$1 under \$100,000.....	n.a	n.a	n.a	2.0	1.4
\$100,000 under \$1,000,000.....	n.a	n.a	n.a	5.3	3.1
<b>Medium foundations</b>					
\$1,000,000 under \$10,000,000.....	9.0	1.3	6.8	7.7	3.4
\$10,000,000 under \$50,000,000.....	11.4	0.9	7.9	10.9	2.3
<b>Large foundations</b>					
\$50,000,000 under \$100,000,000.....	11.9	1.1	8.3	11.6	1.5
\$100,000,000 or more.....	13.9	1.4	9.0	12.7	1.3

<sup>1</sup> The 1987 gross domestic product (GDP) implicit price deflator was used to adjust for inflation. The rates of total return for 1989 vary slightly from previously published rates since rates for the small foundations were added to the table this year. Due to the nature of the sampled data and the sample categories, adding the small foundations to the calculations slightly altered the rates for the medium-size foundations.

n.a.--Not available; see footnote 18 at the end of this article.

The Federal Government first began to grant tax-exempt status to charitable foundations in the early 1900's. Legislative changes and discussions prior to 1969 focused on the regulation of foundation activities. However, beginning with TRA 69, private nonoperating foundations were required to meet a charitable giving or "payout requirement." Not until 1969 did legislation provide guidelines for foundation minimum giving levels. The original payout requirement, which was based on the greater of (adjusted) net income or a fixed percentage of net investment assets, was designed to prevent potential abusive foundation activity and ensure that a minimum amount was charitably distributed [20]. Later, the Economic Recovery Tax Act of 1981 (ERTA) modified the payout requirement by basing the required amount only on assets and not on income. Generally, the data indicate that, after ERTA, large foundations altered their giving patterns much more noticeably than small foundations [21]. The large foundations seem to have benefited the most from the 1981 legislation, as they realized the largest percentage increases in both assets and distributions since 1982.

Under the guidelines of ERTA, each year nonoperating foundations must calculate a "distributable amount," which is the minimum amount that the organizations must distribute for charitable purposes by the end of the next full reporting year in order to avoid a penalty tax on undistributed charitable dollars. The distributable amount, or required payout amount, equals 5 percent of the fair market value of net investment assets (the "minimum investment return"), plus or minus certain adjustments,

either allowed or required; see distributable (payout) amount, net investment assets, minimum investment return, and net adjustments to distributable amount in the Explanation of Selected Terms section [22].

### Charitable Grants and Other Qualifying Distributions

To fulfill the charitable payout requirement, nonoperating foundations can apply "qualifying distributions" from the current year, as well as any carryovers (distributions paid in excess of the minimum required amount) from the 5 previous years. Qualifying distributions are comprised primarily of contributions and grants, 91 percent; with smaller proportions for operating and administrative expenses (e.g., amounts paid to operate a museum), 7 percent; program-related investments (e.g., loans made to public charities at below market, or zero, rates of interest), 1 percent; "set-asides" for future charitable distributions, 1 percent; and amounts paid to acquire charitable-use assets (e.g., buildings, equipment, or supplies), less than 1 percent.

As mentioned previously, nonoperating foundations fulfill their exempt purpose in an indirect manner, primarily by making grants to other charitable organizations, while operating foundations generally expend their income for direct involvement in charitable activities and programs. Operating foundations are not subject to the same charitable payout requirement, but they must still expend a minimum amount each year on direct charitable support, usually through conducting their own charitable programs. These expenditures count as "qualifying

## Private Foundations and Charitable Trusts, 1990

distributions" in meeting the operating foundation requirements.

For 1990, nearly 37,000 nonoperating foundations paid out \$9.7 billion in qualifying distributions against a required payout (or distributable) amount of \$6.8 billion. As with years past, qualifying distributions increased at a relatively constant rate, 10 percent. Despite fluctuations in revenues and asset values over the years, foundation giving generally increased faster than the rate of inflation. Over four-fifths of foundations with a charitable payout requirement either met or exceeded the required amount for 1990 in that same year. Those that did not had until the end of the 1991 Reporting Year to fulfill the requirement. While one-fifth of the small foundations did not meet the 1990 requirement during 1990, thereby amassing "undistributed income," nearly one-half of the large foundations chose to wait until the 1991 Reporting Year to distribute their required amount for 1990 [23]. Given that the annual payout amount is not calculated until the end of the reporting year and that it is based on the monthly average of investment assets, many foundations chose to take advantage of the 1-year tax- and penalty-free "grace period" for making required distributions. This lag time gave them an opportunity to consider their investment returns, payout rates, and contributions received, among other factors, when preparing their grantmaking budgets for the following year or years.

On the flip side, while some foundations chose to wait until 1991 to disperse 1990 qualifying distributions, many gave in excess of the 1990 required amount during the 1990 Reporting Year. Small foundations typically distribute much more than their required amount. For 1990,

over two-fifths of the small foundations distributed twice the required amount and nearly one-fifth distributed five times the required amount. For the large foundations, only 7 percent chose to distribute more than twice the required amount during 1990.

Contributions and grants distributed by nonoperating foundations equaled \$8.8 billion for 1990. According to the Foundation Center's *Foundation Giving*, the largest proportions of total foundation grants for 1990 went to the areas of education, health, human services, and the arts and humanities [24]. The contributions and grants given by foundations accounted for approximately 6 percent of total philanthropic giving. The largest proportion of total giving was provided by individuals, 83 percent, with smaller proportions from charitable bequests by estates, 6 percent, and corporations, 5 percent [25].

### Payout Rates

Since the small foundations tend to distribute more charitable dollars relative to the required amount, they also tend to have higher charitable payout rates. Figure I displays median foundation payout rates by size of foundation for 1986 through 1990. To calculate the payout rate, the amount of (adjusted) qualifying distributions was divided by the amount of the monthly average of net investment assets [26]. The resulting 1990 median payout rate remained virtually unchanged from the previous year at 7.0 percent. Likewise, the payout rates for the different size groups also remained relatively constant. The smallest foundations distributed charitable dollars at a median payout rate of 10.6 percent, compared to 5.0 percent for the largest foundations. The figures

**Figure I**

**Nonoperating Private Foundation Payout Rates, by Size of Fair Market Value of Total Assets, 1986-1990**

Size of fair market value of total assets	Median payout rates (percentages)				
	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)
<b>All nonoperating foundations.....</b>	<b>6.9</b>	<b>7.0</b>	<b>7.2</b>	<b>7.1</b>	<b>7.0</b>
<b>Small foundations</b>					
\$1 under \$100,000.....	10.2	9.6	10.7	10.9	10.6
\$100,000 under \$1,000,000.....	6.5	6.7	6.6	6.8	6.7
<b>Medium foundations</b>					
\$1,000,000 under \$10,000,000.....	5.6	5.7	5.9	5.8	5.8
\$10,000,000 under \$50,000,000.....	5.4	5.4	5.5	5.4	5.4
<b>Large foundations</b>					
\$50,000,000 under \$100,000,000.....	5.1	5.2	5.3	5.4	5.4
\$100,000,000 or more.....	5.0	5.0	5.3	5.0	5.0

NOTE: Payout rates equal adjusted qualifying distributions divided by the monthly average of net investment (noncharitable-use) assets.

show that foundation payout rates for all size groups remained very constant over the entire 5-year period. Like the NII yields and rates of total return, the mean payout rates for foundations of all sizes were higher than the median rates.

The payout rates for the large- and medium-size foundations were very close to the required 5 percent. Those of the small foundations, which tend to emphasize current, rather than future, charitable giving, were much higher than the required rate. However, despite the higher payout rates of the small foundations, the large foundations increased the amount of their qualifying distributions by the greatest percentage of all foundations from 1989 to 1990. Large foundation distributions increased by 12 percent, compared to 7 percent for the medium-size foundations, and 5 percent for the small foundations. These differences are not surprising considering the differences in the grantmaking and investing strategies of foundations of different size. The small organizations seem to focus more on distributing charitable dollars currently, rather than on long-term endowment growth. The larger foundations, on the other hand, tend to reinvest a greater portion of their return on investments, perhaps to ensure endowment growth for future charitable giving. The trend of the large foundations to give consistently at a payout rate of 5 percent seems to demonstrate their use of long-range planning in setting grantmaking budgets. Salamon, in a survey of the payout policies of foundations, found that smaller foundations, as a group, tend to use their investment yields to help structure their charitable payout rates, while the larger foundations, as a group, tend to structure their investment decisions in order to reduce the effect of the payout requirement on their assets [27].

### **Asset Growth, Distribution Goals, and Decision-Making**

During the 5-year period 1986-1990, nonoperating foundations realized an increase in total assets of 27 percent and a nearly equal increase in charitable grants of 23 percent. These increases occurred despite the fact that total revenues declined by 18 percent. Foundation statistics reveal that a growing endowment may help to fund charitable giving at the same or at an increased amount in the future. During much of the 1980's, foundations benefited from favorable stock market conditions that allowed many of them to realize rates of total return and income yields high enough to easily meet the 5-percent charitable payout requirement. As founda-

tion assets increased through increasing investment returns, so did the required distributable amounts, thereby leading to an increased amount of charitable distributions made by many foundations.

Larger foundations historically have realized greater rates of total return on assets than have smaller foundations. The larger foundations typically rely heavily on the growth of their endowments to fund charitable programs and, therefore, have distributed dollars at consistent rates and in such a way as to further long-run asset growth. For instance, from 1986 to 1990 the significant asset growth of the large foundations allowed them to increase charitable distributions at a faster rate than either of the other size groups, despite paying out charitable dollars at rates hovering at the minimum 5 percent.

Figure J graphically shows that the large foundations increased assets by a real rate of 37 percent from 1986 to 1990, while their distributions increased by 34 percent. In sharp contrast, the small foundations, which typically pay out charitable dollars at more generous rates than the large foundations, but realize lower rates of total return and income yields, increased both assets and distributions by real rates of only 1 percent from 1986 to 1990. (As an important note, the number of foundations increased by 14 percent from 1986 to 1990, with the number of small foundations increasing by 10 percent and the number of large foundations, by 29 percent.)

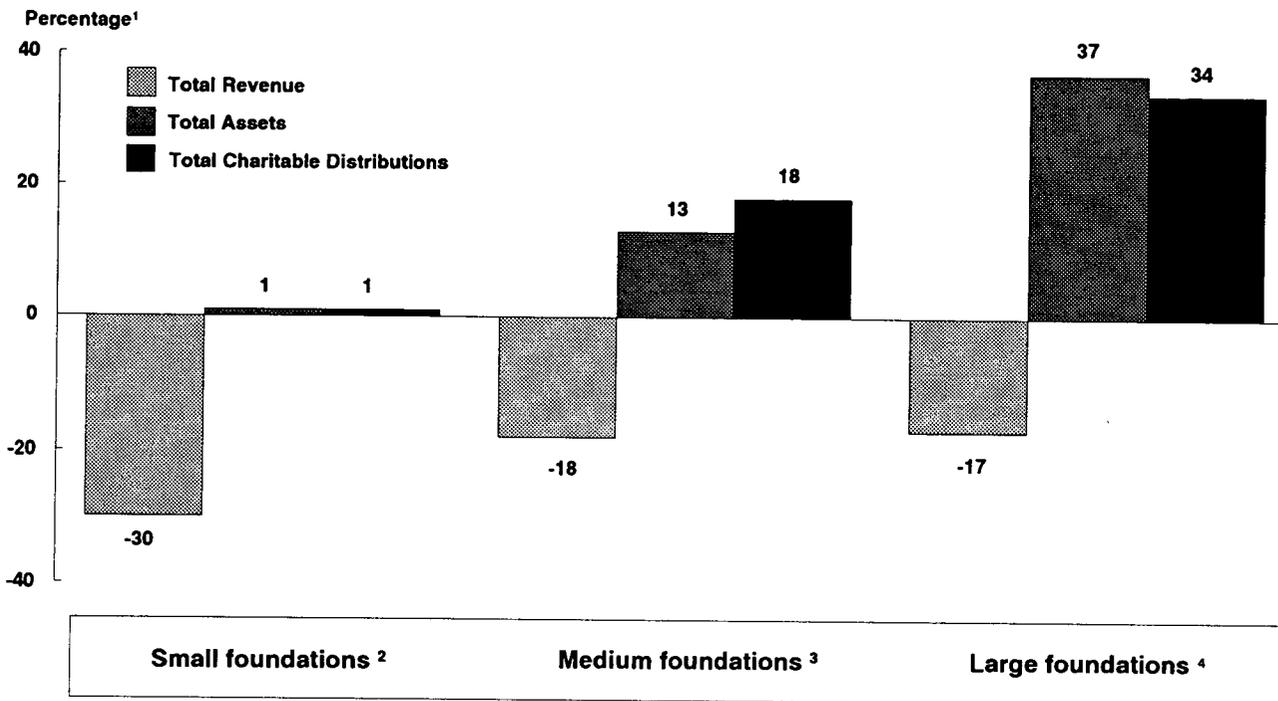
These percentage changes, as well as the rest of those presented in this article, are based on stratifying the asset size groups by current dollars. However, when stratifying the asset groups (small, medium, and large), by *constant* dollars, the large foundations still achieved a greater rate of increase in both assets and distributions than any other size group over the 1986-1990 period. (Constant dollar stratification of the asset groups accounts for foundations which move to a different size group due to an inflationary increase in their assets. However, it does not account for foundations which were either terminated or newly-formed during this period.)

Figure K presents the percentage increases in revenue, assets, and charitable distributions for each of the size groups using both the current- and constant-dollar methods of stratification. The gap between the large- and small-size groups narrowed using constant dollar stratification, although the large foundations still performed better. Using this method, the large foundations increased real assets and distributions from 1986-1990 by 33 percent and 30 percent, respectively. In contrast, the small foundations increased real assets and distributions by 18 percent and 10 percent, respectively.

# Private Foundations and Charitable Trusts, 1990

**Figure J**

## Nonoperating Private Foundations: Real Growth in Revenue, Assets, and Charitable Distributions, by Size of Foundation, 1986-1990



<sup>1</sup> Percentage increases were calculated using constant dollars; the 1987 gross domestic product (GDP) implicit price deflator was used to adjust for inflation.

<sup>2</sup> Small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.

<sup>3</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.

<sup>4</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

NOTE: Charitable distributions represent "qualifying distributions" and total assets represent "fair market value of total assets," both from Form 990PF.

**Figure K**

## Nonoperating Private Foundations: Increases in Revenue, Assets, and Charitable Distributions, by Current and Constant Dollar Stratification of Assets, by Size of Foundation, 1986-1990<sup>1, 2</sup>

Item	Current dollar stratification of assets--real percentage increase, 1986-1990			
	All foundations	Small	Medium	Large
	(1)	(2)	(3)	(4)
Total revenue.....	-18	-30	-18	-17
Total assets.....	27	1	13	37
Total charitable distributions.....	22	1	18	34
	Constant dollar stratification of assets--real percentage increase, 1986-1990			
	All foundations	Small	Medium	Large
Total revenue.....	-18	-21	-16	-20
Total assets.....	27	18	17	33
Total charitable distributions.....	22	10	19	30

<sup>1</sup> Percentage increases and constant dollar stratifiers are calculated using the 1987 gross domestic product (GDP) implicit price deflator.

<sup>2</sup> When stratifying assets by current dollars, small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets; medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets; and large foundations are those holding \$50,000,000 or more in fair market value of total assets. When stratifying assets by constant dollars, the same size groups apply except that dollars are constant rather than current.

Note: Charitable distributions represent "qualifying distributions" and total assets represent "fair market value of total assets," both from Form 990-PF.

### **Charitable Trusts Described in Section 4947(a)(1)**

Charitable trusts are defined in Internal Revenue Code section 4947(a)(1) as organizations which have exclusively charitable interests and which can receive tax-deductible charitable contributions. Charitable trusts that are not publicly supported are subject to the same requirements as foundations, including the excise tax provisions and the charitable payout requirement. Like foundations, they are required to file a Form 990-PF. Unlike foundations, charitable trusts are not entirely exempt from Federal income tax and must pay an annual tax on income (usually from investments) that is not distributed currently for charitable purposes. Trusts must report such income and tax on Form 1041, *U.S. Fiduciary Income Tax Return*. Other section 4947(a)(1) charitable trusts file Form 990. The latter are organizations which typically operate in connection with, and provide support to, one or more public charities. Split-interest trusts, which have both charitable and non-charitable beneficiaries, file Form 5227, *Split-Interest Trust Information Return*. The 4947(a)(1) charitable trusts may operate somewhat differently from foundations. Unlike foundations, most of these trusts were originally formed as 4947(a)(2) split-interest trusts that at one time had one or more noncharitable beneficiaries. The 4947(a)(1) charitable trusts represent less than 2 percent of the total assets held, total revenue earned, and total grants distributed by all of the Form 990-PF filers.

Over 2,600 section 4947(a)(1) trusts filed Form 990-PF for 1990. The number of trusts was virtually unchanged from 1989. Nearly 99 percent of these organizations were classified as nonoperating trusts, while only 1 percent were considered operating trusts. Nearly all trusts, or 95 percent, made charitable grants for 1990. This compares to 83 percent for private foundations. For 1990, total trust revenues declined at a much faster rate than the revenues of foundations, 33 percent, from \$404.6 million to \$269.7 million. Large decreases in net gains from sales of assets, 70 percent, and in the amount of contributions received, 55 percent, explain much of the loss in total revenues. Smaller decreases in both dividends and interest from securities and interest on savings and temporary cash investments also contributed to the decline. Total trust assets also decreased, by 4 percent, to \$2.8 billion. A 16-percent drop in investments in securities, representing 68 percent of total assets, largely explains this drop. In the midst of decreases in both assets and revenues, the trusts increased the amount of contributions and grants which

they distributed by 6 percent, to \$151.8 million. As more data are collected on trusts, it will be possible to determine if they tend to increase the amount of contributions that they distribute as consistently as do foundations.

The following classifications apply, unless otherwise indicated, to the discussion of charitable trusts throughout the remainder of this article: "small charitable trusts" refers to the group holding less than \$1 million in assets (excluding trusts that either do not report assets or that report assets equal to zero); "medium-size charitable trusts" refers to the group holding from \$1 million to less than \$10 million in assets; and, "large charitable trusts" refers to the group holding \$10 million or more in assets. It should be noted that the medium- and large-size trusts are much smaller on average than the medium- and large-size foundations.

### **Sources of Charitable Trust Revenue**

With large decreases in net gains from sales of assets and in the amount of contributions received, the composition of trust revenue for 1990 changed somewhat from 1989. As Figure L shows, dividends and interest from securities represented 45 percent of total revenue, while contributions received and net gains from sales of assets represented only 14 percent and 15 percent, respectively [28]. Compared to foundations, which received over a third of their revenue from contributions, trusts relied much less on contributions as a source of revenue and much more on investment income. Charitable trust "net investment income," on which the excise tax is based, decreased by 34 percent from 1989 to \$199.2 million for 1990, while the amount of excise tax reported declined by 32 percent, to \$3.2 million. A decrease in capital gain net income of 65 percent helps to explain the overall decline in net investment income.

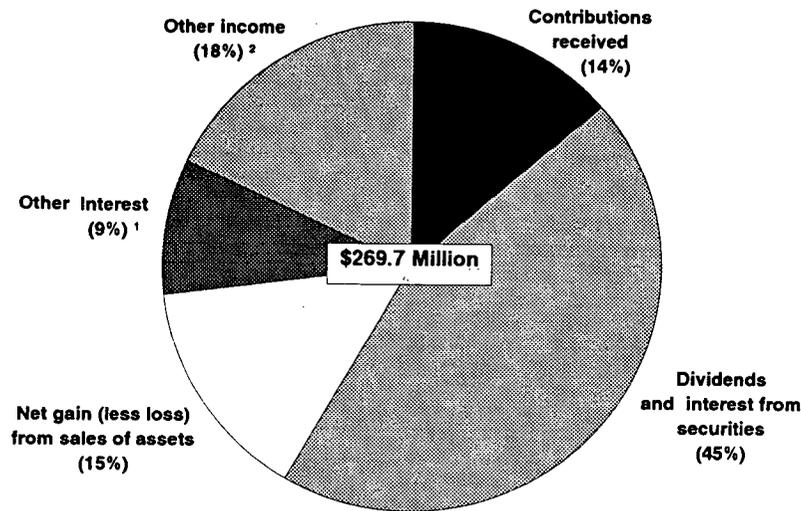
Less than 1 percent of charitable trusts reported "unrelated business income" for 1990, which totaled \$635,000. This income was only 0.3 percent of the total revenue reported on the "Analysis of Income-Producing Activities" schedule of the Form 990-PF. Like foundations, the majority of trust revenue, 77 percent, was reported as excluded income, while the remaining 22 percent was reported as income which was (directly) related to the trust's exempt, charitable purpose [29].

### **Charitable Trust Assets and Investments**

Like foundations, charitable trusts hold the majority of their assets as investments in securities, 68 percent. Unlike foundations, however, the value of trust investments in securities declined from 1989 to 1990, by 16

Figure L

Sources of Charitable Trust Revenue, 1990



<sup>1</sup> Represents "Interest on savings and temporary cash investments," as reported on Form 990-PF.

<sup>2</sup> Includes "Gross rents" and "Gross profit (or loss)" as reported on Form 990-PF, as well as items such as imputed interest on deferred payments and program-related investment income.

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

percent, to \$1.9 billion. Nearly 90 percent of all trust assets were held as investments. Figure M depicts the composition of investment assets for all trusts and for each of the different size groups. Three-quarters of all trust investment assets were held as U.S. and State Government obligations, corporate stocks, or corporate bonds. Investment assets include savings and temporary cash investments; U.S. and State Government obligations; corporate stocks; corporate bonds; land, buildings, and equipment; mortgage loans; and "other" investments. Compared to foundations, trusts held a somewhat smaller proportion of assets as corporate stocks and a somewhat larger proportion as corporate bonds. Otherwise, the distribution of trust investment assets was similar to foundations, with corporate stocks equal to 44 percent of investment assets; U.S. and State Government obligations, 18 percent; and, corporate bonds, 13 percent. The remainder of investment assets was comprised of savings and short-term cash investments, 10 percent; and land, buildings and equipment, mortgage loans, and other investments, 14 percent. As trusts grow in size they tend to hold somewhat more of their investment portfolio as

investments in securities, particularly corporate stock.

**Charitable Trust Income Yields and Rates of Total Return**

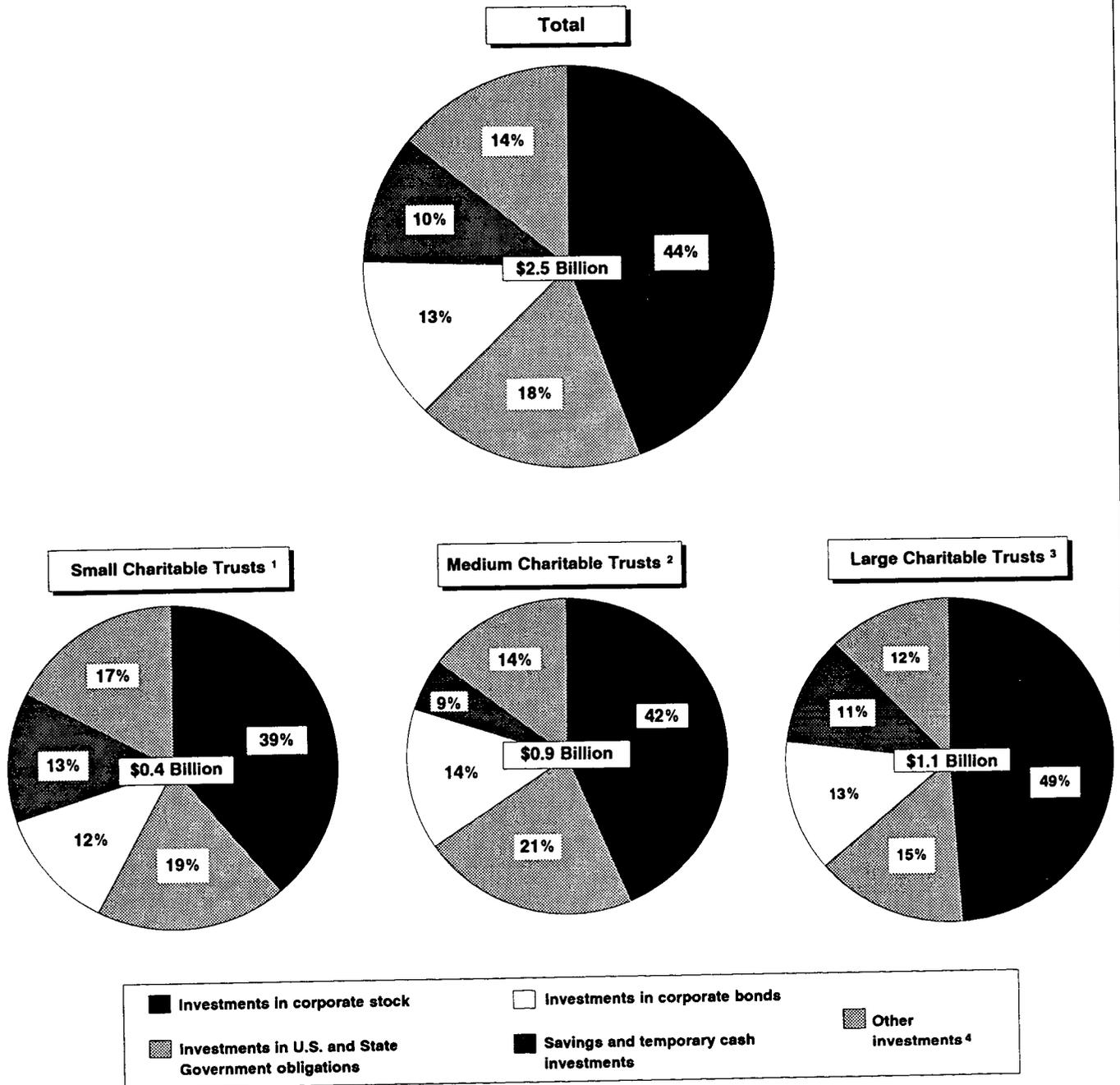
As in the case of foundations, the median net investment income (NII) yields were calculated only for nonoperating trusts. Trusts and foundations earned very comparable NII yields, although the trust yield of 7.4 percent was slightly higher than the foundation yield of 7.1 percent. Like foundations, trusts realized declining yields from 1989 to 1990. Figure N displays the median NII yields for the different sizes of charitable trusts for 1989 and 1990. For the second consecutive year the small trusts realized higher NII yields than either the medium- or large-size trusts.

Rates of total return on assets for charitable trusts were calculated for the first time for 1990. Figure O displays the median rates of total return on assets for the different sizes of trusts. For 1990, the median trust rate of total return exceeded the median foundation rate of total return, 3.4 percent compared to 2.4 percent. Unlike

# Private Foundations and Charitable Trusts, 1990

**Figure M**

## Composition of Charitable Trust Investment Assets, by Size of Trust, 1990



<sup>1</sup> Small charitable trusts are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.

<sup>2</sup> Medium charitable trusts are those holding from \$1,000,000 to less than \$10,000,000 in fair market value of total assets.

<sup>3</sup> Large charitable trusts are those holding \$10,000,000 or more in fair market value of total assets.

<sup>4</sup> Sum of "Investments in land, buildings, and equipment (less accumulated depreciation)," "Investments in mortgage loans," and "Other investments," as reported on Form 990-PF. "Other investments" includes items such as advances; certificates of investment; industrial development bonds; and investments in art, coins, gold, and gems.

NOTE: Percentages may not add to 100 percent because of rounding.

# Private Foundations and Charitable Trusts, 1990

**Figure N**

**Nonoperating Charitable Trust Net Investment Income (NII) Yields, by Size of Fair Market Value of Total Assets, 1989 and 1990**

Size of fair market value of total assets	Median NII yields (percentages)	
	1989	1990
<b>All nonoperating trusts.....</b>	<b>8.9</b>	<b>7.4</b>
<b>Small trusts</b>		
\$1 under \$100,000.....	8.5	7.3
\$100,000 under \$1,000,000.....	9.3	7.5
<b>Medium and large trusts</b>		
\$1,000,000 under \$10,000,000....	8.2	7.2
\$10,000,000 or more .....	8.2	6.6

NOTE: The NII yields equal net investment income divided by end-of-year fair market value of investment assets.

foundations, few differences existed among the different size groups, although the smallest trusts, those holding less than \$100,000 in assets, earned slightly lower rates of total return than trusts in the other size groups. Perhaps the higher trust rates of total return in this less successful year for investments (1990) indicate that trusts, like the small foundations, tend to engage in less risky financial investing. Data for upcoming years will allow for more insightful analyses. Data for both the income yields and rates of total return were positively skewed as the mean yields and mean returns were greater than the medians.

**Charitable Trust Distributions and Payout Rates**

The 4947(a)(1) charitable trusts distributed \$151.8 million as contributions and grants for 1990, an increase of 6

percent over 1989. These grants represented 93 percent of the total amount of qualifying distributions. The nonoperating trusts paid out \$161.4 million in qualifying distributions, or 36 percent more than the required distributable amount. As in the case of foundations, the discussion of the distribution requirement and payout rates excludes operating trusts because they are not subject to the same payout requirements as nonoperating trusts.

The small trusts as a group distributed 60 percent more for charitable purposes than the required amount. In contrast, the large trusts distributed 35 percent more than the required amount. Like foundations, approximately four-fifths of trusts either met or exceeded the required payout amount for 1990. The remaining one-fifth amassed undistributed income and had until the end of the 1991 Reporting Year to fulfill the requirement. Foundations, on average, distributed more in excess of the required amount than did trusts. For instance, 12 percent of all trusts, compared to 33 percent of all foundations, distributed more than twice the required amount.

Figure P presents median payout rates for charitable trusts for 1990. The median payout rate for all trusts was 5.8 percent, which was below the 7.0 percent median payout rate for foundations. While the smallest foundations paid out distributions at a rate of 10.6 percent, trusts of the same size paid out distributions at a rate of only 6.0 percent. Like foundations, the mean payout rates for the trusts were higher than the median rates. While charitable trusts, as a group, earned somewhat higher NII yields and rates of total return compared to foundations, they distributed charitable dollars at a lower rate than did foundations.

**Figure O**

**Nonoperating Charitable Trust Rates of Total Return on Assets, by Size of Fair Market Value of Total Assets, 1990**

Size of fair market value of total assets	Median rates of total return (percentages) <sup>1</sup>
<b>All nonoperating trusts.....</b>	<b>3.4</b>
<b>Small trusts</b>	
\$1 under \$100,000.....	3.2
\$100,000 under \$1,000,000.....	3.5
<b>Medium and large trusts</b>	
\$1,000,000 under \$10,000,000.....	3.5
\$10,000,000 or more .....	3.5

<sup>1</sup> The 1987 gross domestic product (GDP) implicit price deflator was used to adjust for inflation.

**Figure P**

**Nonoperating Charitable Trust Payout Rates, by Size of Fair Market Value of Total Assets, 1989 and 1990**

Size of fair market value of total assets	Median payout rates (percentages)	
	1989	1990
<b>All nonoperating trusts.....</b>	<b>5.9</b>	<b>5.8</b>
<b>Small trusts</b>		
\$1 under \$100,000.....	6.4	6.0
\$100,000 under \$1,000,000.....	5.9	5.7
<b>Medium and large trusts</b>		
\$1,000,000 under \$10,000,000....	5.5	5.6
\$10,000,000 or more .....	5.8	5.5

NOTE: Payout rates equal adjusted qualifying distributions divided by the monthly average of net investment (noncharitable-use) assets.

# Private Foundations and Charitable Trusts, 1990

## Summary

### Private Foundations

Total foundation revenues for 1990 fell by 2 percent, to \$19.5 billion, representing the third time since 1986 that revenues declined. Foundations realized declines in two of the three largest sources of revenue. Net gains from sales of assets, representing one-fifth of foundation revenue, sharply declined by 17 percent, while contributions received, representing over one-third of total revenue, declined by 2 percent. In contrast, dividends and interest from securities, also representing a third of revenue, increased by 7 percent from 1989 to 1990. Like total revenue, "net investment income," on which the excise tax is based, decreased by 1 percent, to \$12.0 billion. As a result, foundations reported a total of less than \$0.2 billion from the excise tax on net investment income, a decrease of 6 percent over 1989. Available for the first time for 1990, only 3 percent of all foundations reported a total of \$118.6 million in "unrelated business income" (UBI), or less than 1 percent of total revenue.

As net investment income declined and investment assets increased, foundations realized declining net investment income (NII) yields. The total median NII yield fell from 7.7 percent for 1989 to 7.1 percent for 1990, with the large foundations uncharacteristically earning somewhat lower NII yields than the organizations in the other size groups. Trends continue to show that as the size of a foundation increases, the proportion of revenue from contributions declines, while the proportion from investment income rises.

Total foundation assets continued to increase for 1990, to \$164.8 billion, an increase of 9 percent over 1989. Foundations held the majority of their assets as investments, 95 percent, with investments in securities, alone, comprising 77 percent of total assets. Foundations held nearly half of their assets, \$79.3 billion, as investments in corporate stocks; followed by investments in U.S. and State Government obligations, 20 percent; and investments in corporate bonds, 9 percent. As the size of foundation increased, the proportion of assets held as corporate stocks increased, while the proportion held as savings and temporary cash investments decreased. Although assets increased for 1990, albeit at a relatively low rate compared to the 2 previous years, rates of total return decreased to the lowest rate since 1987. The median foundation achieved a real total return of 2.4 percent, while the largest foundations achieved a median return of only 1.3 percent.

Charitable distributions continued to increase at a relatively consistent rate for 1990 as foundations contin-

ued to make contributions to such areas as education, health, human services, and the arts and humanities. Grants paid by foundations increased by 10 percent over 1989, to \$8.9 billion. In order to fulfill the charitable payout requirement, nonoperating foundations paid out \$9.7 billion in qualifying distributions against a required payout amount of \$6.8 billion. As a measure of charitable giving, the median charitable payout rate remained virtually unchanged from previous years at 7.0 percent. The smallest foundations distributed charitable dollars at a median rate of 10.6 percent, compared to a median of 5.0 percent achieved by the largest foundations. As in past years, the smaller foundations tended to pay out charitable dollars at higher rates than the larger foundations.

Despite the higher payout rates of the smaller foundations, the larger foundations increased the amount of their charitable distributions at the greatest rate. The aggregate changes in revenue, assets, and charitable distributions from 1986 to 1990 help to depict the variation among the different size groups in terms of investment and distribution behavior. During this 4-year period, amidst declining revenues for all of the size groups, the small nonoperating foundations increased both real assets and real distributions by only 1 percent. In sharp contrast, the large nonoperating foundations, which typically focus more attention on increasing the value of their endowments in order to fund charitable distributions, increased their real distributions by 34 percent over the same time period. This significant increase was largely supported by a 37-percent increase in the value of the large nonoperating foundation assets. However, from 1986 to 1990 the number of large foundations increased by 29 percent, compared to 10 percent for small foundations.

While these figures are based on current dollar stratification of assets, when constant dollar stratification of assets is employed to correct for "bracket creep," the large foundations still increased both assets and distributions faster than any other size group from 1986-1990. A growing foundation endowment may help to ensure increased amounts of charitable giving in the future.

### Section 4947(a)(1) Charitable Trusts

Charitable trusts defined under section 4947(a)(1) of the Internal Revenue Code represented only 6 percent of the total number and held less than 2 percent of the total assets of Form 990-PF filers, which includes both private foundations and 4947(a)(1) charitable trusts. Total trust revenue fell sharply for 1990, by 33 percent, to \$269.7 million. Large decreases in net gains from sales of assets, 70 percent, and in the amount of contributions received, 55 percent, largely impacted the decline in total revenues.

## Private Foundations and Charitable Trusts, 1990

Compared to foundations, trusts relied much less on contributions as a source of revenue and, instead, relied more on investment income. Like foundations, trusts realized declining net investment income (NII) yields, 7.4 percent for 1990, compared to 8.9 percent for 1989.

Total assets of the 4947(a)(1) charitable trusts also declined for 1990, by 4 percent, to \$2.8 billion. Like foundations, trusts held the majority of their assets as investments, 90 percent, with investments in securities, alone, comprising 68 percent of total assets. A 16-percent drop in investments in securities helps to explain the drop in total assets. Compared to foundations, trusts held a smaller proportion of their total assets in corporate stock, 40 percent; a somewhat smaller proportion in U.S. and State Government obligations, 16 percent; and a somewhat larger proportion in corporate bonds, 12 percent. Despite the decreases in assets, trusts earned a median rate of total return that exceeded that of foundations, 3.4 percent compared to 2.4 percent.

In terms of charitable giving, trusts increased the amount of contributions for 1990 by 6 percent. In order to fulfill the charitable payout requirement, the nonoperating trusts paid out \$161.4 million in qualifying distributions against a required payout amount of \$118.3 million. Trusts realized lower median charitable payout rates compared to foundations, 5.8 percent compared to 7.0 percent.

Reporting Year 1990 represents only the second consecutive year that Statistics of Income has collected data on section 4947(a)(1) charitable trusts. These organizations are subject to the same requirements as foundations and operate in a relatively similar manner. Future data will undoubtedly provide additional insights into the behavioral trends of these charitable trusts.

### Data Sources and Limitations

The statistics in this article are based on a sample of Reporting Year 1990 Forms 990-PF that were filed with the IRS. IRS required organizations having accounting periods beginning in 1990 (and therefore ending between December 1990 and November 1991) to file a 1990 Form 990-PF. Some part-year returns were included in the samples for organizations that changed their accounting periods, or filed initial or final returns. More than 60 percent of the foundations in the sample had accounting periods covering Calendar Year 1990 or, in some cases, part-year periods that ended in December 1990. For charitable trusts, approximately 53 percent filed calendar year returns. Additionally, 59 percent of reported foundation fair market value of assets and 55 percent of reported trust fair market value of assets were for the

calendar year period. In total, the majority of the financial activity was associated with Calendar Year 1990.

The 1990 sample was stratified based on both the size of book value of total assets and the type of organization (either a foundation or a 4947(a)(1) charitable trust) [30]. Foundation returns were selected at rates that ranged from over 5 percent (for the more numerous but very small asset-size returns) to 100 percent (for the relatively few returns with large amounts of assets). Charitable trust returns were selected at rates that ranged from 29 to 100 percent. The 5,956 returns in the 1990 sample (4,541 originally selected as foundations and 1,415 selected as trusts) were drawn from an estimated population of 40,166 foundations and 2,617 trusts.

The sample was designed to provide reliable estimates of total assets and total revenue based on a sample of returns. To accomplish this, 100 percent of foundation returns with a book value of assets of \$10 million or more and 100 percent of charitable trust returns with a book value of assets of \$1 million or more were included in the samples, since these were the returns that, dollar-wise, accounted for the majority of activity. Efforts were made to verify that organizations selected as foundations were, in fact, foundations; and that organizations selected as trusts were, in fact, trusts. The relatively small number of foundations that were incorrectly selected for the sample as trusts were ultimately reclassified as foundations (for the statistics) using identification codes from the IRS Exempt Organization Master File. However, the weights used for these organizations were based on the original sample selection classification. These same methods were used for the trusts that were incorrectly sampled as foundations. Approximately 31 percent of all foundations, including those reclassified as foundations, reported \$10 million or more in book value of total assets. These foundations reported 78 percent of the estimated book value of assets of all foundations. While these foundations were selected at a rate of 100 percent, the remaining foundation population was randomly selected for the sample at various rates less than 100 percent depending on the asset size: 5.3 percent for returns with assets less than \$100,000; 6.1 percent for returns with assets of \$100,000 to less than \$1 million; and 15.3 percent for returns with assets of \$1 million to less than \$10 million. Approximately 36 percent of all 4947(a)(1) charitable trusts, including those reclassified as trusts, reported \$1 million or more in book value of total assets. These particular trusts reported 79 percent of the book value of assets of all trusts. While these trusts were selected at a rate of 100 percent, the remaining trust population was randomly selected for the sample at various rates less

## Private Foundations and Charitable Trusts, 1990

than 100 percent depending on the asset size: 29.4 percent for returns with assets less than \$100,000; and 45.5 percent for returns with assets of \$100,000 to less than \$1 million.

The population from which the 1990 sample was drawn consisted of Form 990-PF records posted to the IRS Business Master File during 1990 and 1991. Some of the records designated were for organizations that were deemed inactive or terminated. Inactive and terminated organizations are not reflected in the estimates. For the small number of active, large foundations whose returns for the 1990 Reporting Year were not yet filed or were otherwise unavailable for the statistics, data were estimated using other returns having similar characteristics. For the unavailable active trust returns, which were smaller in size than those for foundations, prior-year data were in most instances used as a substitute.

The data presented were obtained from returns as originally filed. The data were subjected to comprehensive testing and correction procedures in order to ensure statistical reliability and validity. In most cases, changes made to the original return as a result of administrative processing, audit procedures, or a taxpayer amendment were not incorporated into the data base. A discussion of the reliability of estimates based on samples, methods for evaluating both the magnitude of sampling and non-sampling error, and the precision of sample estimates can be found in the general Appendix to this report.

### Explanation of Selected Terms

The following explanations describe terms as they applied to both private foundations and charitable trusts for 1990. Unless otherwise indicated, all references to foundations also apply to trusts.

**Adjusted Net Income.**—In general, this was the amount by which a private foundation's gross income exceeded the expenses associated with earning the income. Included were all amounts derived from, or connected with, property held by the foundation, such as net short-term capital gain, ordinary investment income (dividends, interest, rents and royalties), and income from amounts set aside for future charitable use, from all charitable functions or from unrelated trade or business activities. Excluded were contributions received and long-term capital gains. Long-term capital losses could be reported as "other expenses" for the calculation of adjusted net income. This item was reported on Form 990-PF, Part I, line 27c, column (c).

**Assets Zero or Unreported.**—Included in this asset size category were: (1) final returns of liquidating or dissolv-

ing foundations which had disposed of all assets; (2) returns of those foundations reporting zero end-of-year assets which had apparently distributed (or disposed of) all assets and income received during the year; and (3) returns of those foundations which did not report assets. A liquidating or dissolving foundation usually passes its assets on to another foundation or to another nonprofit organization.

**Capital Gain Net Income.**—This was the amount of net gain from sales or dispositions of property used for investment purposes (property used for tax-exempt purposes was excluded). Capital losses from the sale or other disposition of property could be subtracted from capital gains only to the extent of such gains. Capital gain net income was used to compute "net investment income" (on which an excise tax generally had to be paid). This item was reported on Form 990-PF, Part 1, line 7, column (b).

**Charitable Trust.**—This type of organization, also referred to as a "nonexempt" charitable trust, was defined in Internal Revenue Code section 4947(a)(1) as an organization (1) that is not considered tax-exempt under section 501(a); (2) which has exclusively charitable interests; and (3) for which a tax deduction for donors is allowed for charitable contributions received. Nonexempt charitable trusts that are not publicly supported are subject to the excise tax provisions for private foundations and are required to file a Form 990-PF. ("Publicly supported" nonexempt charitable trusts are required to file Form 990.) Nonexempt charitable trusts must pay an annual tax on income (usually from investments) that is not distributed for charitable purposes, and they must report such income and tax on a fiduciary income tax return, Form 1041.

**Disbursements for Exempt Purposes.**—These deductions comprised the largest component of "qualifying distributions" and included grants paid, operating expenses, and necessary and reasonable administrative expenditures for activities that were directly related to the tax-exempt purposes of the foundation. These amounts were determined solely on the basis of the cash receipts and disbursements method of accounting, as required by law and regulations. This item was reported on Form 990-PF, Part I, line 26, column (d).

**Disqualified Persons.**—With respect to engaging in prohibited transactions with a private foundation, such as "self-dealing," the following were considered disqualified persons: (1) all substantial contributors to the foundation (generally, those who contributed an amount over \$5,000 which was more than 2 percent of total contributions

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received by the foundation); (2) foundation officers, directors, trustees, or managers; (3) an owner of more than a 20-percent interest (based on voting power, profits interest, or beneficial interest) in an organization which was a substantial contributor to the foundation; (4) a member of the family of any individual described above (including spouse; ancestors; children; grandchildren; great-grandchildren; and spouses of children, grandchildren, and great-grandchildren, but not brothers or sisters); (5) organizations in which persons described above held more than a 35-percent interest; (6) another private foundation, for purposes of the tax on excess business holdings, which was effectively controlled by a person or persons in control of the foundation in question; and (7) a government official, for purposes of the tax on "self-dealing."

**Distributable (Payout) Amount.**—This was the minimum payout amount which was required to be distributed by the end of the year following the year for which the return was filed in order to avoid an excise tax for failure to distribute income currently. The distributable amount was computed as 5 percent of net investment assets, called the "minimum investment return," minus taxes on both "net investment income" and "unrelated business income," plus or minus other adjustments, either allowed or required (see "Net Adjustments to Distributable Amount"). This item was reported on Form 990-PF, Part X, line 7.

**Excess Distributions Carryover.**—This was the amount distributed, after fulfilling the charitable payout requirement, that equaled the excess of qualifying distributions over the distributable amount. Amounts from the current year could be carried forward to be applied to the distributable amount, if necessary, for the 5 following years. This item was reported on Form 990-PF, Part XIV, line 9.

**Excess Grant Administrative Expenses.**—This was the amount of grantmaking administrative expenses incurred by a foundation in the charitable grantmaking process that exceeded the amount which could be applied to either the charitable payout requirement (imposed on nonoperating foundations) or the income test (imposed on operating foundations). The Deficit Reduction Act of 1984 required that only the portion of grant administrative expenses incurred by a foundation that did not exceed 0.65 percent of a 3-year average of net investment assets could be treated as qualifying distributions. Any grant administrative expenses in excess of the 0.65 percent calculation could not be treated as qualifying distributions. This temporary limitation on grantmaking expenses expired on December 31, 1990. Beginning with the 1991 Reporting Year, foundations were no longer subject to this

requirement. This item was reported on Form 990-PF, Part XIII, line 5.

**Inventories.**—Included was the value of materials, goods, and supplies purchased or manufactured by the organization and held for sale or use in some future period. This item was reported on Form 990-PF, Part II, line 8, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Land, Buildings, and Equipment, Charitable-use.**—This represented the book value or fair market value (less accumulated depreciation) of all land, buildings, and equipment not held for investment purposes, and used by the organization in conducting its charitable activities. This item was reported on Form 990-PF, Part II, line 14, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Land, Buildings, and Equipment, Investment-use.**—This represented the book value or fair market value (less accumulated depreciation) of all land, buildings, and equipment held for investment purposes, such as rental properties. This item was reported on Form 990-PF, Part II, line 11, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Minimum Investment Return.**—This was the aggregate fair market value of assets not used for charitable purposes, less both the indebtedness incurred to acquire them and cash held for charitable activities, multiplied by 5 percent. The minimum investment return was used as the base for calculating the "distributable amount." This item was reported on Form 990-PF, Part IX, line 6.

**Net Adjustments to Distributable Amount.**—Adjustments that increased the "distributable amount" consisted of increases attributable to the income portion (as distinct from the principal portion) of distributions from split-interest trusts on amounts placed in trust after May 26, 1969. (A split-interest trust is a trust which is not exempt from tax; not all of whose interests are devoted to charitable, religious, educational, and like purposes; but which has amounts in trust for which a charitable contribution deduction is allowed.) Recoveries of amounts previously treated as qualifying distributions also had to be added back to the distributable amount. Adjustments that decreased the distributable amount were the result of income required to be accumulated as part of an organization's governing instrument. These adjustments were allowed only for foundations or trusts organized before May 27, 1969, whose governing instrument continued to require such accumulation, since State courts would not allow the organization to change its governing instrument. These

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items were reported on Form 990-PF, Part X, lines 4a, 4b, and 6.

**Net Gain (or Loss) from Sales of Assets.**—Included was profit or loss from sales of items, such as securities, land, buildings, or equipment. Gain or loss reflected the amount shown on the books of the foundation and included any amount from the sale of property used for either investment or tax-exempt charitable purposes. Most of the gain or loss was from sales of stocks and bonds. Profit or loss from the sale of inventory items was included in gross profit (loss) from business activities. This item was reported on Form 990-PF, Part I, line 6, column (a).

**Net Investment Assets (Noncharitable-use Assets).**—For purposes of calculating “minimum investment return,” only the average, rather than end-of-year, fair market value of assets that were not used, or held for use, for tax-exempt purposes entered into the computation. An asset was not used directly in carrying out the foundation’s exempt purpose if it was not used in carrying out a charitable, educational, or other similar function which gave rise to the tax-exempt status of the foundation. Examples include the fair market value of securities and rental property owned by the foundation for investment purposes. The asset amounts included on the balance sheets in Part II of the Form 990-PF included both investment and charitable-use assets. This item was reported on Form 990-PF, Part IX, line 5.

**Net Investment Income.**—This was the amount by which the sum of gross investment income plus capital gain net income exceeded allowable deductions. Included in investment income were interest, dividends, capital gain net income, rents, payments with respect to securities loans, and royalties. Excluded were tax-exempt interest on governmental obligations and any investment income derived from unrelated trade or business activities that was subject to the “unrelated business income” tax reported on Form 990-T, *Exempt Organization Business Income Tax Return*. This item was reported on Form 990-PF, Part I, line 27b, column (b).

**Net Short-term Capital Gain.**—This was the amount of net gain from sales or dispositions of property (used for either investment or charitable purposes) that was held not more than 12 months. Only operating foundations compute short-term capital gains and report them on this line item. Short-term capital losses from the sale or disposition of property could be subtracted from short-term capital gains only to the extent of such gains. Net short-term capital gain was used to compute “adjusted net income,” but was not used to compute “total revenue.” This item was reported on Form 990-PF, Part I, line 8,

column (c).

**Nonoperating Foundations (and Section 4947(a)(1) Charitable Trusts).**—These were organizations that generally carried on their charitable activities in an indirect manner by making grants to other organizations directly engaged in charitable activities, in contrast to those (operating foundations) engaged in charitable activities, themselves. However, some nonoperating foundations were actively involved in charitable programs, in addition to making grants. Nonoperating foundations were subject to an excise tax (and possible additional penalties) for failure to distribute an annual minimum amount for charitable purposes within a required time period.

**Operating Foundations (and Section 4947(a)(1) Charitable Trusts).**—These organizations generally expended their income for direct, active involvement in a tax-exempt activity, such as operating a library or museum, or conducting scientific research. Operating foundations were excepted from the income distribution requirement and related excise taxes that were applicable to nonoperating foundations. To qualify as an operating foundation for a particular taxable year, a private foundation had to spend at least 85 percent of the lesser of its “adjusted net income” or “minimum investment return” on the direct, active conduct of tax-exempt, charitable activities (as opposed to the payout of grants in support of such programs.)

In addition to satisfying the aforementioned “income test,” operating foundations were required to satisfy one of three other tests termed the “assets test,” the “endowment test,” and the “support test.” Generally, the assets test was met if 65 percent or more of the foundation’s assets were used directly for the active conduct of charitable activities. The endowment test was met if the foundation normally made distributions for the active conduct of charitable activities in an amount not less than two-thirds of its “minimum investment return.” The support test was met if substantially all of its support (other than from gross investment income) was normally received from the public or from five or more qualifying exempt organizations, *and* (a) no more than 25 percent of its support (other than from gross investment income) was normally received from any one such qualifying exempt organization; and (b) no more than half of its support was normally received from gross investment income.

Distributions made by a private nonoperating foundation to an operating foundation qualified toward meeting the nonoperating foundation’s distribution requirement. (Distributions made by one nonoperating foundation to another were subject to a number of conditions and re-

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restrictions requiring a "pass-through" of the distribution, whereby the donor foundation received credit for a qualifying distribution but the donee foundation did not.) Additionally, contributions to operating foundations were deductible on the donors' individual income tax returns, up to 50 percent of their "adjusted gross income" (as opposed to 30 percent for contributions to nonoperating foundations).

While most operating foundations paid the excise tax on net investment income, 23 percent of operating foundations were considered exempt from this tax for 1990 under section 4940(d)(2) of the Internal Revenue Code. In order to be considered an exempt operating foundation, an operating foundation was required to meet the following requirements in any given year: (1) maintain public support for a minimum of 10 taxable years; (2) maintain a governing body at all times which was broadly representative of the general public and which was comprised of individuals of no more than 25 percent of whom were "disqualified;" and 3) at no time during the year include a "disqualified" individual as an officer of the foundation.

**Other Assets.**—Assets reported as "other" included (1) those not allocable to a specific asset item on the Form 990-PF balance sheet or not included elsewhere on the return; and (2) certain amounts given special treatment in the course of statistical processing. The first category included such items as construction reserve land, deferred income, dividends receivable, escrow deposits, income tax refunds, interest discounts, interest-free loans, overdraft protection and program-related investments. The second category included atypical amounts reported by the return filer as "negative liabilities." This item was reported on Form 990-PF, Part II, line 15, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Other Investments.**—Investments reported as "other" included such items as advances; bank certificates; cash values of life insurance; certificates of investment; investments in art, coins, gold, gems, and paintings; miscellaneous loan income; and patronage dividends. This item was reported on Form 990-PF, Part II, line 13, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Private Foundation.**—This type of organization was defined in Internal Revenue Code section 501(c)(3) as a nonprofit corporation, association, or trust with a narrow source of funds which operated or supported social, educational, scientific, charitable, religious, and other programs dedicated to improving the general welfare of society. A private foundation was: (1) an organization

which qualified for tax-exempt status under Code section 501(c)(3) and could not be a church, school, hospital, or medical research organization; (2) an organization with broad public support in the form of contributions or income from tax-exempt activities; (3) an organization which was operated by, or in connection with, any of the above described organizations; or (4) an organization which conducted tests for public safety. The primary difference between a private foundation and a public charity lay in the sources of each type of organization's funding. A foundation usually received its funds from an individual, a family, or a corporation, while, as the name implies, a public charity received its funds mainly from a large number of sources within the general public.

**Qualifying Distributions.**—Included were disbursements for charitable purposes (grants, direct expenditures to accomplish charitable purposes, and charitable-purpose operating and administrative expenses); amounts paid to acquire assets used directly to accomplish tax-exempt functions; charitable program-related investments; and amounts set aside for future charitable projects. Qualifying distributions could be credited against the foundation's obligation to pay out its "distributable amount." This item was reported on Form 990-PF, Part XIII, line 6.

**Total Assets.**—This was the sum of all assets reported in the foundation's end-of-year balance sheet, shown at both their book value and fair market value. This item was reported on Form 990-PF, Part II, line 16, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Total Expenses.**—This was the sum of contributions, gifts, and grants paid, plus various operating and administrative expenses related to both investment and charitable-purpose activities. Total expense items were reported as shown on the books and records of the foundation and were based on either the cash receipts or the accrual method of accounting. This item was reported on Form 990-PF, Part I, line 26, column (a).

**Total Revenue.**—This was the sum of gross contributions, gifts, and grants received; interest on savings and temporary cash investments; dividends and interest from securities; net gain (less loss) from sales of assets (mostly investment assets, but also charitable-use assets); gross rents and royalties; gross profit (or loss) from business activities; and miscellaneous income. Total revenue items included both investment and charitable-use items, were reported as shown on the books and records of the foundation, and were based on either the cash receipts or the accrual method of accounting. This item was reported on

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Form 990-PF, Part I, line 12, column (a).

**Undistributed Income.**—The portion of the required “distributable amount” still undistributed after applying against it the sum of current-year qualifying distributions and any excess distributions carryover from prior years. Sanctions were imposed in the form of penalty taxes on private foundations that did not pay out an amount equal to the “distributable amount” by the end of the following tax year. This item was reported on Form 990-PF, Part XIV, line 6f, column (d).

### Notes and References

- [1] Reporting Year 1990 represents the first year since 1979 for which the Internal Revenue Service required foundations to report separately on the Form 990-PF the value of their investments in U.S. and State Government obligations, investments in corporate stock, and investments in corporate bonds. These items are found on Part II, lines 10a, 10b, and 10c on the Form 990-PF. U.S. and State Government obligations are those which mature in 1 year or more and which also include municipal Government obligations.
- [2] Unless otherwise indicated, dollar amounts and percentages in the text and figures are not adjusted for inflation. However, Figure B, which presents data over a 4-year time period, does present *real* changes in revenue, assets, and charitable distributions. Adjustments for inflation are based on the implicit price deflators for the gross domestic product from the Department of Commerce, Bureau of Economic Analysis, found in the Council of Economic Advisors, *Economic Report of the President*, January 1993, Table B-3.
- [3] The Explanation of Selected Terms section at the end of this article defines total assets, total revenues, and other selected items reported on Form 990-PF. Also, all references to assets are stated at fair market value unless book value is specifically noted.
- [4] The data presented in this article are from the Forms 990-PF, filed for Reporting Year 1990 by organizations which had accounting periods *beginning* in 1990. Therefore, the statistics for Reporting Year 1990 include organizations with accounting periods that ended sometime during the period December 1990 through November 1991. For a more detailed explanation, see the section, Data Sources and Limitations.
- [5] Statistics of Income periodically consolidates exempt organization data by publishing volumes in the *Exempt Compendium* series. These volumes include annual analyses of data that have appeared in the quarterly *Statistics of Income Bulletin*, or which were originally prepared for other publications such as the *Journal of Nonprofit Management and Leadership*, *Trusts and Estates*, the INDEPENDENT SECTOR'S Research Forum, and the American Statistical Association. Private foundation data for 1987 and earlier years were published in the *Compendium of Studies of Tax-Exempt Organizations, 1974-1987*. Data for Reporting Years 1986 through 1990 are included in the second volume of the series, the *Compendium of Studies of Tax-Exempt Organizations, 1986-1992, Volume 2*.  
  
Both volumes of the *Compendium* are included under Publication 1416 and are available exclusively from the Statistics of Income Division. Results of private foundation studies for 1982, 1983, and 1985-1990 have also been published in various issues of the *Statistics of Income Bulletin*: Fall 1985, Volume 5, Number 2 (1982 data); Winter 1986-1987, Volume 6, Number 3 (1983 data); Summer 1989, Volume 9, Number 1 (1985 data); Spring 1991, Volume 10, Number 4 (1986-1987 data); Winter 1991-1992, Volume 11, Number 3 (1988 data); and Winter 1992-1993, Volume 12, Number 3 (1989 data). Private foundation data, primarily for 1974, were published in the special report, *Statistics of Income--1974-1978, Private Foundations*.
- [6] For an in-depth discussion of organizations other than private foundations that are tax-exempt under Internal Revenue Code section 501(c)(3), see Hilgert, Cecelia and Arnsberger, Paul, “Charities and Other Tax-Exempt Organizations, 1989,” in this issue of the *Statistics of Income Bulletin*.
- [7] For purposes of the analyses, “charitable trust” refers only to the section 4947(a)(1) charitable trusts that file Form 990-PF, while “private foundation” refers to the section 501(c)(3) private foundations.
- [8] Programs termed “charitable” refer to tax-exempt activities which are charitable, educational, scientific, social, literary, or religious in nature.
- [9] Some of the foundations classified as “nonoperating” for 1990 were “failed public charities.” These were organizations that were originally classified as public

charities (Form 990 filers), but which could no longer qualify for that favored status because they failed to maintain the required minimum of support from public sources. Most often, the reclassified nonoperating foundations continued to operate like public charities, conducting programs or providing direct services, as opposed to making grants to accomplish a charitable purpose. Many of these organizations may have qualified as operating foundations, but did not request such status from the Internal Revenue Service.

- [10] A foundation is considered domestic if it is organized in the United States; however, this does not necessarily imply that all of its activities or grant recipients are domestic.
- [11] Renz, Loren, and Lawrence, Steven, *Foundation Giving: Yearbook of Facts and Figures on Private, Corporate and Community Foundations*, 1993 edition, The Foundation Center, p. 5.
- [12] While all foundations reporting revenue (with the exception of those reporting only contributions) were required to complete the schedule of the return, "Analysis of Income-Producing Activities," only 76 percent actually did so on their return as originally filed. The rate of compliance on this part of the Form 990-PF was higher for the large foundations than for the small and medium-sized foundations: 92 percent, compared to 74 percent and 83 percent, respectively. In addition, revenue actually reported in this schedule equaled only 61 percent of total revenue.
- [13] For more detailed information on the investment and distribution behavior of foundations (excluding section 4947(a)(1) charitable trusts), see Salamon, Lester M. and Voytek, Kenneth P., *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, The Council on Foundations, 1989; and Salamon, Lester M. and Voytek, Kenneth P., *Foundation Investment and Payout Performance: An Update*, The Council on Foundations, 1991.
- [14] Salamon and Voytek, *Ibid.*
- [15] Salamon and Voytek, *Ibid.*
- [16] Salamon, Lester M., "Investment Management in the Nonprofit Sector: Studying the Performance of Private Foundations," from Hammock, David C.

and Young, Dennis R., editors, *Nonprofit Organizations in a Market Economy*, Jossey-Bass Publishers, 1993, p.269.

- [17] Net investment income is comprised of income not considered to be related to a foundation's charitable purpose, such as interest, dividends, and capital gain net income. The net investment income figure used in this calculation was obtained from column (b) of the income statement, found in Part I of the Form 990-PF.
- [18] The rate of total return formula is the same as that developed and used by Salamon and Voytek in their studies on foundation assets. See Salamon and Voytek, *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, The Council on Foundations, 1989, p. 32. The formula is as follows:

**Rate of total return =**

[(Ending fair market value of assets  
 - Beginning fair market value of assets)  
 - (Contributions received by the foundation)  
 + (Grants paid by the foundation  
 + Operating and administrative expenses  
 + Excise tax paid on net investment income)]

DIVIDED by

[Beginning fair market value of assets  
 + (Contributions received / 2)]

To calculate the rate of total return shown in Figure H, samples of private foundation information returns for consecutive years were matched in order to analyze both the beginning- and end-of-year fair market value of assets data. Due to the lower sampling rates used for the smaller foundations, the rate at which returns were matched for consecutive years was not high enough in all cases to ensure a proper level of statistical reliability. Therefore, the rate of total return was only calculated for the medium- and large-size foundations for many of the years shown in Figure H.

The beginning fair market value of assets for any given year equals the ending fair market value reported on the prior year's tax return. Thus, in order to provide a consistent form of measurement by which to compare rates of total return among different years, the ending fair market value of asset

amounts (reported for both the year subject to the computation and the prior year) were used to compute the rate of total return. In order to obtain an inflation-adjusted real rate of return, the figure equaling the beginning-of-year fair market value of assets was adjusted using the gross domestic product implicit price deflator (see footnote 2).

- [19] Salamon and Voytek, *Foundation Investment and Payout Performance: An Update*; see footnote 13.
- [20] For a more detailed discussion, see Meckstroth, Alicia, "Analyzing the Trends Within Private Foundations," *Trusts and Estates*, August 1991, pp. 38-47; and Meckstroth, Alicia and Riley, Margaret, "Private Foundation Returns, 1986-1987," *Statistics of Income Bulletin*, Spring 1991, Volume 10, Number 4.
- [21] *Ibid.*
- [22] For valuing net investment (noncharitable-use) assets for the purpose of computing the minimum investment return, reductions for "blockage" or other marketability discounts were permitted. These discounts (limited to 10 percent in the case of securities, but statutorily unlimited in other cases, such as land holdings) could effectively reduce the net investment asset base and, thus, result in a minimum payout level of less than 5 percent of the full fair market value. An example of this type of discounting was a foundation that owned 15 percent of the stock of a publicly-held corporation. This percentage represented a block of securities so large in relation to the volume of actual sales on the existing market that it could not be liquidated in a reasonable time without depressing the market. Because of this situation, the foundation was allowed to discount the fair market value of the stock for the purposes of reporting it on the Form 990-PF. In addition, reductions to the minimum investment return were permitted for the excise tax on net investment income and the income tax on unrelated business income imposed under Internal Revenue Code section 511.
- [23] After applying current-year qualifying distributions and any carryovers from previous years, the amount by which foundations fell short of meeting the charitable payout requirement was called

"undistributed income".

- [24] *Renz, Loren and Lawrence, Steven, Foundation Giving: Yearbook of Facts and Figures on Private, Corporate and Community Foundations*, 1992 edition, The Foundation Center, 1992, Figure 16, p.49.
- [25] *Ibid.*, Figure 13, p. 43.
- [26] To calculate the payout rate, the amount of (adjusted) qualifying distributions was divided by the amount of the monthly average of net investment (or noncharitable-use) assets. This payout formula adjusts qualifying distributions with additions and subtractions that are made to the required "distributable amount" on the Form 990-PF. The numerator of the formula also includes excess distributions made in the past and applied to the requirement of the current filing year.
- [27] *Salamon, Ibid.*, pp. 269-70; see footnote 16.
- [28] For 1989 the breakdown of trust revenue was somewhat different. Net gains from sales of assets represented 33 percent of total revenue; dividends and interest from securities, 32 percent; and contributions received, 21 percent.
- [29] While all trusts reporting revenue (with the exception of those receiving only contributions) were required to complete the section on "Analysis of Income-Producing Activities," approximately 86 percent actually did so on their returns as originally filed. Revenue reported on this part equaled 76 percent of total trust revenue, a higher percentage than for foundations.
- [30] The sample was stratified based on book value of assets, rather than fair market value, because fair market value of assets was not fully validated by the Internal Revenue Service (IRS) during administrative processing for the Business Master File (BMF) system, from which the Statistics of Income sample was drawn. Book value of assets, on the other hand, was fully validated. Beginning with the 1992 Reporting Year, the IRS fully validated the fair market value of assets for purposes of the BMF system. This makes it possible for Statistics of Income to begin sampling the 990-PF tax returns based on the fair market value of total assets for the 1994 Reporting Year.

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**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets**

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

Size of fair market value of total assets	Number of returns	Total revenue		Contributions, gifts, and grants received		Dividends and interest from securities	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>ALL FOUNDATIONS</b>							
Total.....	40,166	38,946	19,521,182	17,782	6,814,071	24,596	6,396,693
Zero or unreported.....	1,296	818	111,852	501	99,540	*113	*8,242
\$1 under \$100,000.....	14,611	13,928	353,535	7,474	304,231	5,343	13,878
\$100,000 under \$1,000,000.....	15,010	14,959	1,194,749	6,131	773,753	10,919	214,278
\$1,000,000 under \$10,000,000.....	7,511	7,504	3,865,152	2,949	2,055,219	6,592	937,929
\$10,000,000 under \$25,000,000.....	1,006	1,006	2,380,854	435	1,127,132	928	640,613
\$25,000,000 under \$50,000,000.....	337	337	1,549,202	135	608,582	316	514,077
\$50,000,000 under \$100,000,000.....	202	201	1,431,488	88	382,738	192	613,280
\$100,000,000 or more.....	194	194	8,634,351	68	1,462,877	194	3,454,396
<b>Nonoperating foundations</b>							
Total.....	36,939	35,816	17,251,870	15,626	5,564,740	23,368	5,986,661
Zero or unreported.....	1,228	750	109,399	450	97,090	*113	*8,242
\$1 under \$100,000.....	13,146	12,551	325,543	6,584	283,386	5,051	13,159
\$100,000 under \$1,000,000.....	14,091	14,042	1,050,499	5,462	651,476	10,536	208,585
\$1,000,000 under \$10,000,000.....	6,894	6,894	3,325,812	2,527	1,719,864	6,170	883,045
\$10,000,000 under \$25,000,000.....	907	907	2,180,517	359	1,047,212	848	605,100
\$25,000,000 under \$50,000,000.....	311	311	1,438,229	117	589,096	295	488,124
\$50,000,000 under \$100,000,000.....	183	182	1,300,755	70	326,684	175	580,851
\$100,000,000 or more.....	180	180	7,521,116	57	849,933	180	3,199,556
<b>Operating foundations</b>							
Total.....	3,227	3,129	2,269,313	2,156	1,249,331	1,228	410,031
Zero or unreported.....	*68	*68	*2,453	*51	*2,450	--	--
\$1 under \$100,000.....	1,465	1,376	27,992	890	20,845	292	719
\$100,000 under \$1,000,000.....	919	917	144,250	669	122,277	382	5,693
\$1,000,000 under \$10,000,000.....	617	610	539,340	422	335,356	422	54,884
\$10,000,000 under \$25,000,000.....	99	99	200,337	77	79,920	79	35,513
\$25,000,000 under \$50,000,000.....	26	26	110,973	18	19,485	21	25,954
\$50,000,000 under \$100,000,000.....	19	19	130,733	18	56,054	17	32,429
\$100,000,000 or more.....	14	14	1,113,235	11	612,944	14	254,840
<b>GRANTMAKING FOUNDATIONS</b>							
Total.....	33,251	33,054	17,532,890	14,068	5,425,387	22,710	6,241,869
Zero or unreported.....	625	557	107,251	291	95,454	*113	*8,242
\$1 under \$100,000.....	10,783	10,654	297,612	5,502	257,449	4,623	12,295
\$100,000 under \$1,000,000.....	13,358	13,358	986,559	5,091	599,552	10,263	205,384
\$1,000,000 under \$10,000,000.....	6,861	6,861	3,292,023	2,546	1,671,599	6,166	884,901
\$10,000,000 under \$25,000,000.....	935	935	2,173,582	379	995,979	877	622,115
\$25,000,000 under \$50,000,000.....	315	315	1,450,598	118	591,255	300	491,918
\$50,000,000 under \$100,000,000.....	189	189	1,335,853	78	337,503	182	594,824
\$100,000,000 or more.....	186	186	7,889,412	62	876,596	186	3,422,188
<b>Grantmaking-nonoperating foundations</b>							
Total.....	31,814	31,617	16,826,753	13,200	5,250,980	22,082	5,941,903
Zero or unreported.....	608	540	105,869	274	94,072	*113	*8,242
\$1 under \$100,000.....	10,076	9,947	286,912	5,095	249,593	4,450	11,805
\$100,000 under \$1,000,000.....	12,921	12,921	923,070	4,833	549,790	10,018	202,306
\$1,000,000 under \$10,000,000.....	6,647	6,647	3,182,452	2,406	1,609,254	6,012	864,589
\$10,000,000 under \$25,000,000.....	897	897	2,113,461	351	984,494	845	604,059
\$25,000,000 under \$50,000,000.....	306	306	1,422,154	114	587,648	292	483,395
\$50,000,000 under \$100,000,000.....	180	180	1,285,619	70	326,684	173	575,473
\$100,000,000 or more.....	179	179	7,507,216	56	849,446	179	3,192,036
<b>Grantmaking-operating foundations</b>							
Total.....	1,436	1,436	706,138	869	174,407	627	299,966
Zero or unreported.....	*17	*17	*1,382	*17	*1,382	--	--
\$1 under \$100,000.....	707	707	10,701	407	7,856	173	490
\$100,000 under \$1,000,000.....	436	436	63,490	258	49,762	244	3,078
\$1,000,000 under \$10,000,000.....	214	214	109,571	140	62,346	154	20,313
\$10,000,000 under \$25,000,000.....	38	38	60,121	29	11,486	32	18,056
\$25,000,000 under \$50,000,000.....	9	9	28,444	4	3,607	8	8,524
\$50,000,000 under \$100,000,000.....	9	9	50,234	8	10,819	9	19,351
\$100,000,000 or more.....	7	7	382,196	6	27,150	7	230,153

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Net gain (less loss) from sales of assets		Total expenses		Excess of revenue (less loss) over expenses		Net investment income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>ALL FOUNDATIONS</b>								
Total.....	14,881	3,949,855	38,779	11,715,111	39,040	7,806,070	35,047	11,966,437
Zero or unreported.....	*79	*465	936	158,214	818	-46,362	370	6,967
\$1 under \$100,000.....	2,006	1,851	13,770	381,295	14,064	-27,761	11,096	47,041
\$100,000 under \$1,000,000.....	6,153	53,751	14,847	906,975	14,911	287,773	14,493	447,139
\$1,000,000 under \$10,000,000.....	5,141	300,895	7,491	2,369,766	7,510	1,495,385	7,369	1,700,443
\$10,000,000 under \$25,000,000.....	835	271,360	1,002	1,382,056	1,006	998,798	997	1,133,357
\$25,000,000 under \$50,000,000.....	301	197,016	337	1,001,826	336	547,373	332	878,732
\$50,000,000 under \$100,000,000.....	183	238,428	202	992,894	202	438,593	198	974,354
\$100,000,000 or more.....	183	2,886,090	194	4,522,083	194	4,112,268	193	6,778,403
<b>Nonoperating foundations</b>								
Total.....	14,113	3,697,052	35,721	10,664,971	35,933	6,586,898	32,479	11,161,571
Zero or unreported.....	*79	*465	869	155,697	767	-46,298	336	6,967
\$1 under \$100,000.....	1,918	1,462	12,424	354,948	12,684	-29,405	10,067	44,364
\$100,000 under \$1,000,000.....	5,920	51,120	13,978	788,409	14,010	262,089	13,705	419,392
\$1,000,000 under \$10,000,000.....	4,824	280,493	6,875	1,959,418	6,893	1,366,394	6,806	1,591,850
\$10,000,000 under \$25,000,000.....	760	251,314	903	1,259,666	907	920,851	901	1,069,289
\$25,000,000 under \$50,000,000.....	277	181,261	311	912,334	310	525,896	306	828,346
\$50,000,000 under \$100,000,000.....	166	226,107	183	913,663	183	387,092	179	909,692
\$100,000,000 or more.....	169	2,704,831	180	4,320,837	180	3,200,279	179	6,291,672
<b>Operating foundations</b>								
Total.....	768	252,803	3,058	1,050,140	3,107	1,219,172	2,568	804,865
Zero or unreported.....	--	--	*68	*2,517	*51	*-64	*34	*(-2)
\$1 under \$100,000.....	*89	*389	1,346	26,348	1,380	1,644	1,029	2,678
\$100,000 under \$1,000,000.....	233	2,632	869	118,566	901	25,684	788	27,747
\$1,000,000 under \$10,000,000.....	317	20,402	617	410,349	617	128,992	562	108,593
\$10,000,000 under \$25,000,000.....	75	20,046	99	122,390	99	77,946	96	64,068
\$25,000,000 under \$50,000,000.....	24	15,755	26	89,492	26	21,481	26	50,386
\$50,000,000 under \$100,000,000.....	17	12,320	19	79,232	19	51,501	19	64,662
\$100,000,000 or more.....	14	181,259	14	201,246	14	911,989	14	486,731
<b>GRANTMAKING FOUNDATIONS</b>								
Total.....	13,920	3,820,995	33,234	10,953,834	32,895	6,579,055	30,913	11,607,041
Zero or unreported.....	*79	*465	625	153,379	523	-46,127	285	6,938
\$1 under \$100,000.....	1,786	1,750	10,766	344,397	10,580	-46,785	9,070	43,740
\$100,000 under \$1,000,000.....	5,817	51,061	13,358	813,301	13,310	173,258	13,153	424,866
\$1,000,000 under \$10,000,000.....	4,817	287,104	6,861	2,034,394	6,860	1,257,629	6,793	1,609,408
\$10,000,000 under \$25,000,000.....	789	264,349	935	1,298,268	935	875,314	931	1,095,572
\$25,000,000 under \$50,000,000.....	284	190,194	315	916,673	314	533,926	311	842,690
\$50,000,000 under \$100,000,000.....	173	226,333	189	941,039	189	394,814	185	943,478
\$100,000,000 or more.....	176	2,799,739	186	4,452,384	186	3,437,028	185	6,640,348
<b>Grantmaking-nonoperating foundations</b>								
Total.....	13,545	3,688,668	31,814	10,541,757	31,493	6,284,995	29,643	11,105,305
Zero or unreported.....	*79	*465	608	151,997	523	-46,127	285	6,938
\$1 under \$100,000.....	1,714	1,524	10,076	331,486	9,890	-44,574	8,482	42,009
\$100,000 under \$1,000,000.....	5,670	48,501	12,921	761,640	12,873	161,429	12,733	402,585
\$1,000,000 under \$10,000,000.....	4,716	280,964	6,647	1,934,670	6,646	1,247,782	6,593	1,565,645
\$10,000,000 under \$25,000,000.....	757	250,954	897	1,255,742	897	857,719	894	1,067,124
\$25,000,000 under \$50,000,000.....	275	181,183	306	897,737	305	524,417	302	820,702
\$50,000,000 under \$100,000,000.....	165	220,247	180	899,997	180	385,622	176	909,129
\$100,000,000 or more.....	169	2,704,831	179	4,308,488	179	3,198,728	178	6,291,173
<b>Grantmaking-operating foundations</b>								
Total.....	374	132,326	1,419	412,078	1,402	294,060	1,270	501,735
Zero or unreported.....	--	--	*17	*1,382	--	--	--	--
\$1 under \$100,000.....	*72	*226	690	12,911	690	-2,210	588	1,731
\$100,000 under \$1,000,000.....	146	2,560	436	51,661	436	11,829	420	22,280
\$1,000,000 under \$10,000,000.....	101	6,140	214	99,724	214	9,847	200	43,763
\$10,000,000 under \$25,000,000.....	32	13,395	38	42,526	38	17,595	37	28,448
\$25,000,000 under \$50,000,000.....	9	9,011	9	18,936	9	9,508	9	21,988
\$50,000,000 under \$100,000,000.....	8	6,086	9	41,042	9	9,192	9	34,349
\$100,000,000 or more.....	7	94,908	7	143,896	7	238,300	7	349,175

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Disbursements for exempt purposes		Contributions, gifts, and grants paid <sup>1</sup>		Grant administrative expenses	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)
<b>ALL FOUNDATIONS</b>						
Total.....	37,041	10,436,227	33,251	8,880,590	19,088	503,246
Zero or unreported.....	835	150,709	625	147,491	190	536
\$1 under \$100,000.....	12,647	381,876	10,783	316,490	5,762	7,260
\$100,000 under \$1,000,000.....	14,468	840,673	13,358	707,172	7,139	34,327
\$1,000,000 under \$10,000,000.....	7,364	2,124,110	6,861	1,698,949	4,620	75,354
\$10,000,000 under \$25,000,000.....	999	1,263,345	935	1,095,212	747	47,800
\$25,000,000 under \$50,000,000.....	336	886,587	315	769,615	286	43,407
\$50,000,000 under \$100,000,000.....	199	884,748	189	761,445	170	44,154
\$100,000,000 or more.....	193	3,924,178	186	3,384,216	173	250,408
<b>Nonoperating foundations</b>						
Total.....	34,261	9,551,684	31,814	8,802,097	18,386	476,362
Zero or unreported.....	767	148,313	608	146,227	190	536
\$1 under \$100,000.....	11,454	341,838	10,076	311,460	5,484	6,617
\$100,000 under \$1,000,000.....	13,682	732,593	12,921	685,896	6,831	24,591
\$1,000,000 under \$10,000,000.....	6,787	1,769,739	6,647	1,680,877	4,531	63,459
\$10,000,000 under \$25,000,000.....	902	1,163,191	897	1,084,234	734	46,485
\$25,000,000 under \$50,000,000.....	311	825,097	306	764,093	279	42,331
\$50,000,000 under \$100,000,000.....	180	817,231	180	756,713	166	42,883
\$100,000,000 or more.....	179	3,753,682	179	3,372,596	171	249,459
<b>Operating foundations</b>						
Total.....	2,780	884,543	1,436	78,493	702	26,884
Zero or unreported.....	*68	*2,397	*17	*1,264	--	--
\$1 under \$100,000.....	1,194	20,038	707	5,030	279	643
\$100,000 under \$1,000,000.....	786	108,079	436	21,276	308	9,736
\$1,000,000 under \$10,000,000.....	577	354,371	214	18,072	89	11,895
\$10,000,000 under \$25,000,000.....	97	100,154	38	10,978	13	1,315
\$25,000,000 under \$50,000,000.....	25	61,490	9	5,522	7	1,076
\$50,000,000 under \$100,000,000.....	19	67,517	9	4,732	4	1,271
\$100,000,000 or more.....	14	170,496	7	11,619	2	948
<b>GRANTMAKING FOUNDATIONS</b>						
Total.....	33,251	9,839,837	33,251	8,880,590	18,534	496,359
Zero or unreported.....	625	148,312	625	147,491	173	529
\$1 under \$100,000.....	10,783	336,555	10,783	316,490	5,453	7,086
\$100,000 under \$1,000,000.....	13,358	763,066	13,358	707,172	6,955	33,679
\$1,000,000 under \$10,000,000.....	6,861	1,842,266	6,861	1,698,949	4,579	72,209
\$10,000,000 under \$25,000,000.....	935	1,196,048	935	1,095,212	747	47,800
\$25,000,000 under \$50,000,000.....	315	828,120	315	769,615	285	43,347
\$50,000,000 under \$100,000,000.....	189	851,249	189	761,445	169	41,301
\$100,000,000 or more.....	186	3,874,222	186	3,384,216	173	250,408
<b>Grantmaking-nonoperating foundations</b>						
Total.....	31,814	9,492,321	31,814	8,802,097	17,896	469,899
Zero or unreported.....	608	147,048	608	146,227	173	529
\$1 under \$100,000.....	10,076	325,532	10,076	311,460	5,191	6,445
\$100,000 under \$1,000,000.....	12,921	716,757	12,921	685,896	6,681	24,134
\$1,000,000 under \$10,000,000.....	6,647	1,755,914	6,647	1,680,877	4,503	60,545
\$10,000,000 under \$25,000,000.....	897	1,160,516	897	1,084,234	734	46,485
\$25,000,000 under \$50,000,000.....	306	815,640	306	764,093	278	42,271
\$50,000,000 under \$100,000,000.....	180	817,231	180	756,713	165	40,030
\$100,000,000 or more.....	179	3,753,682	179	3,372,596	171	249,459
<b>Grantmaking-operating foundations</b>						
Total.....	1,436	347,516	1,436	78,493	638	26,460
Zero or unreported.....	*17	*1,264	*17	*1,264	--	--
\$1 under \$100,000.....	707	11,023	707	5,030	262	641
\$100,000 under \$1,000,000.....	436	46,309	436	21,276	274	9,545
\$1,000,000 under \$10,000,000.....	214	86,352	214	18,072	76	11,664
\$10,000,000 under \$25,000,000.....	38	35,532	38	10,978	13	1,315
\$25,000,000 under \$50,000,000.....	9	12,479	9	5,522	7	1,076
\$50,000,000 under \$100,000,000.....	9	34,018	9	4,732	4	1,271
\$100,000,000 or more.....	7	120,540	7	11,619	2	948

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Excise tax on net investment income					Total assets (book value)	
	Total	Domestic organizations		Foreign organizations		Number of returns	Amount
		Number of returns	Amount	Number of returns	Amount		
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>ALL FOUNDATIONS</b>							
Total.....	155,862	33,593	154,934	35	928	38,977	127,971,967
Zero or unreported.....	81	268	81	--	--	*141	*23,063
\$1 under \$100,000.....	732	10,217	732	--	--	14,594	481,282
\$100,000 under \$1,000,000.....	6,699	14,315	6,699	--	--	14,993	5,109,851
\$1,000,000 under \$10,000,000.....	25,047	7,157	25,013	*23	*34	7,511	20,125,709
\$10,000,000 under \$25,000,000.....	16,465	957	16,451	2	14	1,006	13,072,032
\$25,000,000 under \$50,000,000.....	12,825	314	12,779	2	46	337	10,061,329
\$50,000,000 under \$100,000,000.....	13,187	187	13,158	3	28	202	12,158,466
\$100,000,000 or more.....	80,826	178	80,020	5	806	194	66,940,234
<b>Nonoperating foundations</b>							
Total.....	151,752	31,620	150,825	34	927	35,818	115,992,662
Zero or unreported.....	81	268	81	--	--	*141	*23,063
\$1 under \$100,000.....	692	9,374	692	--	--	13,129	435,822
\$100,000 under \$1,000,000.....	6,208	13,655	6,208	--	--	14,074	4,757,398
\$1,000,000 under \$10,000,000.....	23,839	6,777	23,805	*23	*34	6,894	18,332,402
\$10,000,000 under \$25,000,000.....	15,924	897	15,910	1	13	907	11,854,028
\$25,000,000 under \$50,000,000.....	12,499	302	12,454	2	46	311	9,309,894
\$50,000,000 under \$100,000,000.....	12,596	173	12,568	3	28	183	11,044,994
\$100,000,000 or more.....	79,914	174	79,108	5	806	180	60,235,062
<b>Operating foundations</b>							
Total.....	4,110	1,972	4,109	1	1	3,159	11,979,305
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	40	842	40	--	--	1,465	45,461
\$100,000 under \$1,000,000.....	492	660	492	--	--	919	352,453
\$1,000,000 under \$10,000,000.....	1,208	380	1,208	--	--	617	1,793,307
\$10,000,000 under \$25,000,000.....	542	60	541	1	1	99	1,218,004
\$25,000,000 under \$50,000,000.....	325	12	325	--	--	26	751,435
\$50,000,000 under \$100,000,000.....	590	14	590	--	--	19	1,113,473
\$100,000,000 or more.....	912	4	912	--	--	14	6,705,172
<b>GRANTMAKING FOUNDATIONS</b>							
Total.....	153,276	30,056	152,387	32	889	32,659	121,799,620
Zero or unreported.....	81	217	81	--	--	*33	*13,811
\$1 under \$100,000.....	675	8,555	675	--	--	10,783	401,077
\$100,000 under \$1,000,000.....	6,308	13,009	6,308	--	--	13,358	4,558,836
\$1,000,000 under \$10,000,000.....	23,860	6,698	23,826	*23	*34	6,861	18,417,945
\$10,000,000 under \$25,000,000.....	16,183	917	16,169	2	14	935	12,234,217
\$25,000,000 under \$50,000,000.....	12,593	305	12,548	2	46	315	9,470,727
\$50,000,000 under \$100,000,000.....	12,930	179	12,921	1	10	189	11,361,526
\$100,000,000 or more.....	80,644	176	79,858	4	786	186	65,341,482
<b>Grantmaking-nonoperating foundations</b>							
Total.....	150,698	29,086	149,809	31	888	31,240	114,349,912
Zero or unreported.....	81	217	81	--	--	*33	*13,811
\$1 under \$100,000.....	652	8,086	652	--	--	10,076	376,666
\$100,000 under \$1,000,000.....	5,892	12,685	5,892	--	--	12,921	4,385,224
\$1,000,000 under \$10,000,000.....	23,343	6,564	23,309	*23	*34	6,647	17,799,305
\$10,000,000 under \$25,000,000.....	15,894	890	15,881	1	13	897	11,718,842
\$25,000,000 under \$50,000,000.....	12,366	298	12,320	2	46	306	9,197,729
\$50,000,000 under \$100,000,000.....	12,576	172	12,566	1	10	180	10,830,877
\$100,000,000 or more.....	79,894	174	79,108	4	786	179	60,027,458
<b>Grantmaking-operating foundations</b>							
Total.....	2,578	971	2,578	1	1	1,419	7,449,708
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	24	469	24	--	--	707	24,410
\$100,000 under \$1,000,000.....	416	324	416	--	--	436	173,611
\$1,000,000 under \$10,000,000.....	517	135	517	--	--	214	618,640
\$10,000,000 under \$25,000,000.....	289	27	288	1	1	38	515,375
\$25,000,000 under \$50,000,000.....	227	7	227	--	--	9	272,998
\$50,000,000 under \$100,000,000.....	355	7	355	--	--	9	530,649
\$100,000,000 or more.....	750	2	750	--	--	7	5,314,024

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Investments in securities (book value)							
	Total		Government obligations		Corporate stock		Corporate bonds	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
<b>ALL FOUNDATIONS</b>								
Total.....	22,853	93,600,981	11,838	30,892,825	17,946	48,531,018	10,042	14,177,138
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	4,612	177,347	1,362	36,601	3,244	112,914	1,118	27,832
\$100,000 under \$1,000,000.....	10,040	2,494,940	4,557	765,922	7,773	1,222,036	4,178	506,982
\$1,000,000 under \$10,000,000.....	6,556	13,046,605	4,579	4,951,870	5,440	5,887,434	3,552	2,207,300
\$10,000,000 under \$25,000,000.....	936	9,218,764	738	3,269,863	828	4,135,990	649	1,812,911
\$25,000,000 under \$50,000,000.....	325	7,501,415	271	2,865,553	298	3,181,954	246	1,453,909
\$50,000,000 under \$100,000,000.....	195	9,354,951	163	3,048,542	189	4,585,110	145	1,721,299
\$100,000,000 or more.....	190	51,806,959	168	15,954,474	174	29,405,580	154	6,446,905
<b>Nonoperating foundations</b>								
Total.....	21,690	86,469,724	11,174	28,159,963	17,061	44,984,138	9,477	13,325,622
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	4,354	169,774	1,273	33,962	3,092	109,735	1,050	26,077
\$100,000 under \$1,000,000.....	9,679	2,410,408	4,393	736,875	7,508	1,182,763	4,027	490,771
\$1,000,000 under \$10,000,000.....	6,140	12,333,461	4,277	4,678,409	5,091	5,597,053	3,302	2,057,999
\$10,000,000 under \$25,000,000.....	861	8,701,866	675	3,083,651	759	3,902,225	594	1,715,990
\$25,000,000 under \$50,000,000.....	302	7,129,529	251	2,733,522	277	2,998,439	229	1,397,568
\$50,000,000 under \$100,000,000.....	178	8,783,724	151	2,857,171	172	4,301,596	134	1,624,957
\$100,000,000 or more.....	176	46,940,962	154	14,036,374	162	26,892,327	142	6,012,261
<b>Operating foundations</b>								
Total.....	1,164	7,131,257	664	2,732,862	885	3,546,880	564	851,515
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	258	7,573	*89	*2,639	*153	*3,178	*68	*1,755
\$100,000 under \$1,000,000.....	361	84,531	164	29,046	265	39,274	150	16,211
\$1,000,000 under \$10,000,000.....	416	713,144	302	273,462	348	290,381	251	149,301
\$10,000,000 under \$25,000,000.....	75	516,898	64	186,212	69	233,765	56	96,921
\$25,000,000 under \$50,000,000.....	23	371,887	20	132,031	21	183,514	17	56,341
\$50,000,000 under \$100,000,000.....	17	571,228	12	191,372	17	283,514	11	96,342
\$100,000,000 or more.....	14	4,865,997	14	1,918,100	12	2,513,253	12	434,644
<b>GRANTMAKING FOUNDATIONS</b>								
Total.....	21,084	90,711,788	11,017	30,030,915	16,655	46,870,868	9,386	13,810,005
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	3,990	161,427	1,239	34,547	2,830	101,908	983	24,972
\$100,000 under \$1,000,000.....	9,402	2,394,866	4,258	736,425	7,322	1,175,931	3,945	482,511
\$1,000,000 under \$10,000,000.....	6,133	12,390,779	4,248	4,664,313	5,091	5,625,035	3,323	2,101,431
\$10,000,000 under \$25,000,000.....	887	8,941,030	698	3,170,595	784	4,005,156	614	1,765,279
\$25,000,000 under \$50,000,000.....	305	7,232,305	254	2,732,902	282	3,093,599	232	1,405,804
\$50,000,000 under \$100,000,000.....	185	8,967,049	158	2,948,086	179	4,344,643	140	1,674,320
\$100,000,000 or more.....	182	50,624,331	161	15,744,047	168	28,524,595	149	6,355,688
<b>Grantmaking-nonoperating foundations</b>								
Total.....	20,509	85,851,625	10,735	28,013,964	16,194	44,576,096	9,152	13,261,565
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	3,851	155,943	1,185	32,397	2,728	99,350	949	24,196
\$100,000 under \$1,000,000.....	9,176	2,333,171	4,160	715,540	7,159	1,142,440	3,863	475,190
\$1,000,000 under \$10,000,000.....	5,979	12,134,708	4,168	4,612,825	4,945	5,488,492	3,248	2,033,391
\$10,000,000 under \$25,000,000.....	855	8,659,204	671	3,060,835	756	3,883,948	592	1,714,422
\$25,000,000 under \$50,000,000.....	297	7,068,241	247	2,698,823	274	2,991,332	226	1,378,086
\$50,000,000 under \$100,000,000.....	176	8,709,414	151	2,857,171	170	4,228,224	133	1,624,019
\$100,000,000 or more.....	175	46,790,945	154	14,036,374	161	26,742,309	142	6,012,261
<b>Grantmaking-operating foundations</b>								
Total.....	575	4,860,163	282	2,016,951	461	2,294,772	233	548,440
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*139	*5,485	*55	*2,151	*102	*2,558	*34	*776
\$100,000 under \$1,000,000.....	226	61,695	*98	*20,885	162	33,490	*82	*7,320
\$1,000,000 under \$10,000,000.....	154	256,072	80	51,488	146	136,543	75	68,041
\$10,000,000 under \$25,000,000.....	32	281,826	28	109,761	28	121,208	23	50,857
\$25,000,000 under \$50,000,000.....	8	164,064	7	34,079	8	102,267	6	27,717
\$50,000,000 under \$100,000,000.....	9	257,635	7	90,916	9	116,419	7	50,301
\$100,000,000 or more.....	7	3,833,386	7	1,707,673	7	1,782,286	7	343,427

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Total assets (fair market value)		Investments in securities (fair market value)							
	Number of returns	Amount	Total		Government obligations		Corporate stock		Corporate bonds	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>ALL FOUNDATIONS</b>										
Total.....	38,870	164,828,987	22,837	126,199,220	11,833	32,480,715	17,919	79,328,717	10,007	14,389,787
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	14,611	470,450	4,595	166,491	1,362	37,859	3,228	100,836	1,118	27,796
\$100,000 under \$1,000,000.....	15,010	5,567,535	10,041	2,873,394	4,557	799,947	7,774	1,572,982	4,162	500,465
\$1,000,000 under \$10,000,000.....	7,511	22,969,710	6,556	15,430,825	4,574	5,078,064	5,432	8,110,469	3,535	2,242,291
\$10,000,000 under \$25,000,000.....	1,006	15,555,482	936	11,378,244	739	3,405,720	827	6,074,254	648	1,899,271
\$25,000,000 under \$50,000,000.....	337	11,874,489	325	8,886,403	271	2,983,803	297	4,439,704	246	1,462,895
\$50,000,000 under \$100,000,000.....	202	14,073,237	195	10,929,211	163	3,200,684	188	6,043,193	144	1,685,334
\$100,000,000 or more.....	194	94,318,083	190	76,534,652	168	16,974,638	173	52,987,279	154	6,572,735
<b>Nonoperating foundations</b>										
Total.....	35,711	150,240,158	21,674	118,401,283	11,169	29,715,695	17,033	75,149,442	9,442	13,536,146
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	13,146	425,050	4,337	157,943	1,273	35,281	3,075	96,504	1,050	26,157
\$100,000 under \$1,000,000.....	14,091	5,194,175	9,680	2,778,196	4,393	770,067	7,509	1,524,183	4,011	483,946
\$1,000,000 under \$10,000,000.....	6,894	20,801,918	6,140	14,541,725	4,272	4,793,949	5,084	7,656,487	3,285	2,091,289
\$10,000,000 under \$25,000,000.....	907	14,109,306	861	10,774,065	676	3,216,218	758	5,756,551	593	1,801,296
\$25,000,000 under \$50,000,000.....	311	10,916,922	302	8,451,149	251	2,849,090	276	4,194,504	229	1,407,554
\$50,000,000 under \$100,000,000.....	183	12,794,333	178	10,265,770	151	3,002,584	171	5,675,753	133	1,587,432
\$100,000,000 or more.....	180	85,998,454	176	71,432,436	154	15,048,506	161	50,245,459	142	6,138,471
<b>Operating foundations</b>										
Total.....	3,159	14,588,828	1,164	7,797,937	664	2,765,020	885	4,179,275	564	853,642
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	1,465	45,400	258	8,549	*89	*2,578	*153	*4,332	*68	*1,639
\$100,000 under \$1,000,000.....	919	373,360	361	95,198	164	29,880	265	48,798	150	16,520
\$1,000,000 under \$10,000,000.....	617	2,167,793	416	889,099	302	284,115	348	453,982	251	151,002
\$10,000,000 under \$25,000,000.....	99	1,448,176	75	604,179	64	189,501	69	317,703	56	96,974
\$25,000,000 under \$50,000,000.....	26	957,568	23	435,254	20	134,713	21	245,200	17	55,341
\$50,000,000 under \$100,000,000.....	19	1,278,904	17	663,441	12	198,100	17	367,440	11	97,901
\$100,000,000 or more.....	14	8,319,628	14	5,102,217	14	1,926,133	12	2,741,820	12	434,265
<b>GRANTMAKING FOUNDATIONS</b>										
Total.....	32,626	157,065,843	21,084	122,944,858	11,012	31,591,080	16,644	77,334,445	9,351	14,019,333
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	10,783	391,310	3,973	149,819	1,239	35,773	2,813	89,121	983	24,926
\$100,000 under \$1,000,000.....	13,358	4,980,629	9,419	2,760,852	4,258	768,771	7,338	1,515,963	3,929	476,117
\$1,000,000 under \$10,000,000.....	6,861	20,889,817	6,133	14,624,484	4,243	4,778,754	5,083	7,711,912	3,306	2,133,818
\$10,000,000 under \$25,000,000.....	935	14,579,051	887	11,044,615	699	3,304,256	783	5,889,184	613	1,851,175
\$25,000,000 under \$50,000,000.....	315	11,124,824	305	8,573,638	254	2,848,221	281	4,310,038	232	1,415,379
\$50,000,000 under \$100,000,000.....	189	13,181,539	185	10,482,142	158	3,095,297	178	5,751,074	139	1,635,771
\$100,000,000 or more.....	186	91,938,674	182	75,309,309	161	16,760,007	167	52,067,152	149	6,482,149
<b>Grantmaking-nonoperating foundations</b>										
Total.....	31,207	148,419,962	20,509	117,716,112	10,731	29,564,859	16,182	74,678,767	9,117	13,472,486
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	10,076	365,781	3,834	143,513	1,185	33,684	2,711	85,565	949	24,265
\$100,000 under \$1,000,000.....	12,921	4,798,883	9,193	2,691,224	4,160	747,249	7,176	1,475,349	3,847	468,626
\$1,000,000 under \$10,000,000.....	6,647	20,137,530	5,979	14,297,789	4,162	4,726,445	4,938	7,504,483	3,231	2,066,861
\$10,000,000 under \$25,000,000.....	897	13,973,013	855	10,731,265	672	3,193,354	755	5,738,115	591	1,799,796
\$25,000,000 under \$50,000,000.....	306	10,769,875	297	8,374,630	247	2,813,038	273	4,173,619	226	1,387,973
\$50,000,000 under \$100,000,000.....	180	12,584,030	176	10,195,273	151	3,002,584	169	5,606,194	132	1,586,494
\$100,000,000 or more.....	179	85,790,850	175	71,282,418	154	15,048,506	160	50,095,442	142	6,138,471
<b>Grantmaking-operating foundations</b>										
Total.....	1,419	8,665,881	575	5,228,746	282	2,026,221	461	2,655,678	233	546,847
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	707	25,529	*139	*6,306	*55	*2,089	*102	*3,556	*34	*661
\$100,000 under \$1,000,000.....	436	181,746	226	69,628	*98	*21,522	162	40,615	*82	*7,491
\$1,000,000 under \$10,000,000.....	214	752,287	154	326,695	80	52,309	146	207,429	75	66,956
\$10,000,000 under \$25,000,000.....	38	606,038	32	313,350	28	110,902	28	151,069	23	51,379
\$25,000,000 under \$50,000,000.....	9	354,948	8	199,008	7	35,183	8	136,419	6	27,406
\$50,000,000 under \$100,000,000.....	9	597,509	9	286,869	7	92,713	9	144,879	7	49,276
\$100,000,000 or more.....	7	6,147,823	7	4,026,891	7	1,711,502	7	1,971,711	7	343,678

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 1.—All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets—Continued**

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

Size of fair market value of total assets	Net worth		Minimum investment return		Distributable amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(47)	(48)	(49)	(50)	(51)	(52)
<b>ALL FOUNDATIONS</b>						
Total.....	39,047	123,173,442	37,902	7,301,898	34,939	6,835,972
Zero or unreported.....	243	12,450	523	9,648	489	9,556
\$1 under \$100,000.....	14,569	440,078	13,401	25,878	12,096	33,162
\$100,000 under \$1,000,000.....	14,993	4,979,238	14,764	253,727	13,909	261,692
\$1,000,000 under \$10,000,000.....	7,504	19,576,865	7,484	1,032,376	6,875	956,644
\$10,000,000 under \$25,000,000.....	1,005	12,776,827	1,003	691,117	903	647,484
\$25,000,000 under \$50,000,000.....	337	9,662,268	337	541,101	311	504,792
\$50,000,000 under \$100,000,000.....	202	11,803,810	199	634,514	179	591,491
\$100,000,000 or more.....	194	63,921,905	192	4,113,537	178	3,831,151
<b>Nonoperating foundations</b>						
Total.....	35,871	111,859,094	35,059	6,868,125	34,939	6,835,972
Zero or unreported.....	226	12,484	506	9,648	489	9,556
\$1 under \$100,000.....	13,104	396,829	12,130	23,939	12,096	33,162
\$100,000 under \$1,000,000.....	14,074	4,652,568	13,975	240,886	13,909	261,692
\$1,000,000 under \$10,000,000.....	6,888	18,003,064	6,875	963,474	6,875	956,644
\$10,000,000 under \$25,000,000.....	906	11,611,847	905	651,141	903	647,484
\$25,000,000 under \$50,000,000.....	311	9,035,269	311	509,489	311	504,792
\$50,000,000 under \$100,000,000.....	183	10,793,042	180	597,462	179	591,491
\$100,000,000 or more.....	180	57,353,992	178	3,872,086	178	3,831,151
<b>Operating foundations</b>						
Total.....	3,176	11,314,347	2,843	433,773	N/A	N/A
Zero or unreported.....	*17	*34	*17	( <sup>2</sup> )	N/A	N/A
\$1 under \$100,000.....	1,465	43,248	1,271	1,939	N/A	N/A
\$100,000 under \$1,000,000.....	919	326,670	789	12,841	N/A	N/A
\$1,000,000 under \$10,000,000.....	617	1,573,801	609	68,902	N/A	N/A
\$10,000,000 under \$25,000,000.....	99	1,164,981	98	39,976	N/A	N/A
\$25,000,000 under \$50,000,000.....	26	627,000	26	31,613	N/A	N/A
\$50,000,000 under \$100,000,000.....	19	1,010,768	19	37,052	N/A	N/A
\$100,000,000 or more.....	14	6,567,913	14	241,450	N/A	N/A
<b>GRANTMAKING FOUNDATIONS</b>						
Total.....	32,685	117,757,171	32,631	7,111,325	31,276	6,790,162
Zero or unreported.....	*84	*13,074	455	9,632	455	9,552
\$1 under \$100,000.....	10,766	365,530	10,410	23,023	9,737	31,148
\$100,000 under \$1,000,000.....	13,358	4,482,075	13,294	236,846	12,889	248,534
\$1,000,000 under \$10,000,000.....	6,855	18,151,526	6,854	972,017	6,641	938,847
\$10,000,000 under \$25,000,000.....	934	12,003,333	933	669,056	893	645,291
\$25,000,000 under \$50,000,000.....	315	9,243,285	315	516,889	306	499,538
\$50,000,000 under \$100,000,000.....	189	11,147,455	188	612,358	178	588,758
\$100,000,000 or more.....	186	62,350,893	184	4,071,505	177	3,828,495
<b>Grantmaking-nonoperating foundations</b>						
Total.....	31,266	110,520,249	31,295	6,823,338	31,276	6,790,162
Zero or unreported.....	*84	*13,074	455	9,632	455	9,552
\$1 under \$100,000.....	10,060	342,353	9,737	21,881	9,737	31,148
\$100,000 under \$1,000,000.....	12,921	4,323,590	12,905	229,391	12,889	248,534
\$1,000,000 under \$10,000,000.....	6,641	17,553,597	6,641	945,276	6,641	938,847
\$10,000,000 under \$25,000,000.....	896	11,504,926	895	648,918	893	645,291
\$25,000,000 under \$50,000,000.....	306	8,980,158	306	504,101	306	499,538
\$50,000,000 under \$100,000,000.....	180	10,644,599	179	594,728	178	588,758
\$100,000,000 or more.....	179	57,157,953	177	3,869,410	177	3,828,495
<b>Grantmaking-operating foundations</b>						
Total.....	1,419	7,236,922	1,336	287,987	N/A	N/A
Zero or unreported.....	--	--	--	--	N/A	N/A
\$1 under \$100,000.....	707	23,176	673	1,141	N/A	N/A
\$100,000 under \$1,000,000.....	438	158,485	388	7,454	N/A	N/A
\$1,000,000 under \$10,000,000.....	214	597,929	213	26,741	N/A	N/A
\$10,000,000 under \$25,000,000.....	38	498,407	38	20,137	N/A	N/A
\$25,000,000 under \$50,000,000.....	9	263,128	9	12,788	N/A	N/A
\$50,000,000 under \$100,000,000.....	9	502,857	9	17,630	N/A	N/A
\$100,000,000 or more.....	7	5,192,940	7	202,095	N/A	N/A

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 1.—All Private Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets—Continued**

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

Size of fair market value of total assets	Qualifying distributions		Undistributed income for 1990		Excess distributions carryover to 1991	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(53)	(54)	(55)	(56)	(57)	(58)
<b>ALL FOUNDATIONS</b>						
Total.....	36,979	10,793,653	8,220	1,997,162	27,405	12,404,279
Zero or unreported.....	835	150,315	--	--	733	596,838
\$1 under \$100,000.....	12,525	356,767	2,461	3,045	10,037	1,337,846
\$100,000 under \$1,000,000.....	14,532	852,092	3,005	47,987	10,953	1,807,803
\$1,000,000 under \$10,000,000.....	7,364	2,188,726	2,148	195,407	4,720	3,559,820
\$10,000,000 under \$25,000,000.....	998	1,290,423	304	135,822	598	1,876,819
\$25,000,000 under \$50,000,000.....	336	885,755	128	140,773	183	1,163,223
\$50,000,000 under \$100,000,000.....	197	906,305	77	170,628	102	950,273
\$100,000,000 or more.....	192	4,163,271	98	1,303,500	80	1,111,657
<b>Nonoperating foundations</b>						
Total.....	34,160	9,678,836	8,220	1,997,162	27,405	12,404,279
Zero or unreported.....	767	147,936	--	--	733	596,838
\$1 under \$100,000.....	11,331	336,980	2,461	3,045	10,037	1,337,846
\$100,000 under \$1,000,000.....	13,714	726,799	3,005	47,987	10,953	1,807,803
\$1,000,000 under \$10,000,000.....	6,780	1,780,929	2,148	195,407	4,720	3,559,820
\$10,000,000 under \$25,000,000.....	901	1,170,843	304	135,822	598	1,876,819
\$25,000,000 under \$50,000,000.....	311	817,810	128	140,773	183	1,163,223
\$50,000,000 under \$100,000,000.....	178	825,574	77	170,628	102	950,273
\$100,000,000 or more.....	178	3,871,966	98	1,303,500	80	1,111,657
<b>Operating foundations</b>						
Total.....	2,818	1,114,818	N/A	N/A	N/A	N/A
Zero or unreported.....	*68	*2,379	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	1,194	19,787	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	818	125,293	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	584	407,797	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000.....	97	119,580	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000.....	25	67,945	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000.....	19	80,731	N/A	N/A	N/A	N/A
\$100,000,000 or more.....	14	291,305	N/A	N/A	N/A	N/A
<b>GRANTMAKING FOUNDATIONS</b>						
Total.....	33,223	10,062,675	6,367	1,981,462	25,274	12,075,250
Zero or unreported.....	625	147,819	--	--	574	548,864
\$1 under \$100,000.....	10,766	331,922	1,146	2,082	8,863	1,236,117
\$100,000 under \$1,000,000.....	13,358	749,670	2,584	43,436	10,287	1,708,567
\$1,000,000 under \$10,000,000.....	6,855	1,842,090	2,038	192,426	4,596	3,507,927
\$10,000,000 under \$25,000,000.....	934	1,209,112	300	135,358	592	1,870,372
\$25,000,000 under \$50,000,000.....	315	821,840	126	139,422	180	1,141,473
\$50,000,000 under \$100,000,000.....	187	865,347	76	167,895	102	950,273
\$100,000,000 or more.....	185	4,094,875	97	1,300,843	80	1,111,657
<b>Grantmaking-nonoperating foundations</b>						
Total.....	31,787	9,607,704	6,367	1,981,462	25,274	12,075,250
Zero or unreported.....	608	146,555	--	--	574	548,864
\$1 under \$100,000.....	10,060	321,424	1,146	2,082	8,863	1,236,117
\$100,000 under \$1,000,000.....	12,921	704,917	2,584	43,436	10,287	1,708,567
\$1,000,000 under \$10,000,000.....	6,641	1,762,609	2,038	192,426	4,596	3,507,927
\$10,000,000 under \$25,000,000.....	896	1,166,647	300	135,358	592	1,870,372
\$25,000,000 under \$50,000,000.....	306	808,011	126	139,422	180	1,141,473
\$50,000,000 under \$100,000,000.....	178	825,574	76	167,895	102	950,273
\$100,000,000 or more.....	178	3,871,966	97	1,300,843	80	1,111,657
<b>Grantmaking-operating foundations</b>						
Total.....	1,436	454,971	N/A	N/A	N/A	N/A
Zero or unreported.....	*17	*1,264	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	707	10,497	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	436	44,753	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	214	79,481	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000.....	38	42,465	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000.....	9	13,829	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000.....	9	39,773	N/A	N/A	N/A	N/A
\$100,000,000 or more.....	7	222,909	N/A	N/A	N/A	N/A

N/A - not applicable.

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that foundations actually disbursed for charitable purposes for 1990 using the cash receipts and disbursements method of accounting. This figure differs somewhat from that reported as contributions, gifts, and grants paid in the income statement of Table 3. When reporting the amount used in the income statement, or per the books, foundations have the option of using either the cash receipts and disbursements or the accrual method of accounting. This difference in reporting method, therefore, accounts for the difference in the amount of contributions, gifts, and grants paid as reported in Tables 1 and 3.

<sup>2</sup> Less than \$500.

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

# Private Foundations and Charitable Trusts, 1990

**Table 2.—All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets**

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

Size of fair market value of total assets	Number of returns	Total revenue		Contributions, gifts, and grants received		Dividends and interest from securities	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
		(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL CHARITABLE TRUSTS</b>							
Total.....	2,617	2,614	269,735	275	38,872	2,292	120,035
Zero or unreported.....	*26	*26	*1,270	*4	*776	*26	*231
\$1 under \$100,000.....	938	938	5,183	90	1,878	755	1,958
\$100,000 under \$500,000.....	870	868	23,440	81	6,231	763	10,572
\$500,000 under \$1,000,000.....	379	378	38,176	43	10,664	364	13,010
\$1,000,000 under \$10,000,000.....	357	357	88,753	49	10,107	339	46,224
\$10,000,000 or more.....	46	46	112,914	8	9,217	45	48,039
<b>Nonoperating trusts</b>							
Total.....	2,583	2,580	261,293	259	38,258	2,266	119,332
Zero or unreported.....	*26	*26	*1,270	*4	*776	*26	*231
\$1 under \$100,000.....	935	935	5,177	90	1,878	755	1,958
\$100,000 under \$500,000.....	863	861	23,365	81	6,231	760	10,545
\$500,000 under \$1,000,000.....	359	358	31,414	27	10,050	344	12,688
\$1,000,000 under \$10,000,000.....	354	354	87,855	49	10,107	337	46,123
\$10,000,000 or more.....	45	45	112,411	8	9,217	44	47,787
<b>Operating trusts</b>							
Total.....	34	34	8,443	*16	*614	*25	*703
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	*4	*4	*5	--	--	--	--
\$100,000 under \$500,000.....	*6	*6	*75	--	--	*2	*27
\$500,000 under \$1,000,000.....	*20	*20	*6,762	*16	*614	*20	*323
\$1,000,000 under \$10,000,000.....	3	3	1,098	--	--	2	101
\$10,000,000 or more.....	1	1	502	--	--	1	252
<b>GRANTMAKING CHARITABLE TRUSTS</b>							
Total.....	2,479	2,479	243,804	230	33,181	2,188	115,616
Zero or unreported.....	*26	*26	*1,270	*4	*776	*26	*231
\$1 under \$100,000.....	868	868	4,298	*72	*1,101	710	1,921
\$100,000 under \$500,000.....	855	855	22,992	77	5,913	752	10,478
\$500,000 under \$1,000,000.....	348	348	29,134	23	8,097	333	12,421
\$1,000,000 under \$10,000,000.....	339	339	82,989	47	8,077	324	44,323
\$10,000,000 or more.....	43	43	103,121	8	9,217	42	46,240
<b>Grantmaking-nonoperating trusts</b>							
Total.....	2,466	2,466	243,042	230	33,181	2,183	115,239
Zero or unreported.....	*26	*26	*1,270	*4	*776	*26	*231
\$1 under \$100,000.....	864	864	4,293	*72	*1,101	710	1,921
\$100,000 under \$500,000.....	849	849	22,917	77	5,913	750	10,451
\$500,000 under \$1,000,000.....	346	346	28,954	23	8,097	331	12,323
\$1,000,000 under \$10,000,000.....	339	339	82,989	47	8,077	324	44,323
\$10,000,000 or more.....	42	42	102,619	8	9,217	41	45,989
<b>Grantmaking-operating trusts</b>							
Total.....	*13	*13	*762	--	--	*5	*377
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	*4	*4	*5	--	--	--	--
\$100,000 under \$500,000.....	*6	*6	*75	--	--	*2	*27
\$500,000 under \$1,000,000.....	*2	*2	*179	--	--	*2	*98
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	1	502	--	--	1	252

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Net gain (less loss) from sales of assets		Total expenses		Excess of revenue (less loss) over expenses		Net investment income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>ALL CHARITABLE TRUSTS</b>								
Total.....	1,615	39,462	2,604	192,236	2,588	77,499	2,556	199,153
Zero or unreported.....	*11	*5	*26	*2,706	*26	*-1,436	*26	*352
\$1 under \$100,000.....	440	470	931	4,962	924	220	893	2,976
\$100,000 under \$500,000.....	555	3,406	868	17,633	860	5,808	859	16,194
\$500,000 under \$1,000,000.....	275	3,883	378	28,012	376	10,165	376	20,325
\$1,000,000 under \$10,000,000.....	291	16,050	357	65,707	356	23,046	356	74,970
\$10,000,000 or more.....	42	15,648	46	73,217	46	39,696	45	84,337
<b>Nonoperating trusts</b>								
Total.....	1,602	39,148	2,570	184,263	2,554	77,029	2,523	197,761
Zero or unreported.....	*11	*5	*26	*2,706	*26	*-1,436	*26	*352
\$1 under \$100,000.....	440	470	927	4,956	920	221	890	2,970
\$100,000 under \$500,000.....	551	3,406	861	17,508	853	5,858	853	16,122
\$500,000 under \$1,000,000.....	271	3,807	356	22,548	356	8,866	356	19,679
\$1,000,000 under \$10,000,000.....	288	15,888	354	64,754	353	22,901	353	74,302
\$10,000,000 or more.....	41	15,571	45	71,792	45	40,619	45	84,337
<b>Operating trusts</b>								
Total.....	*12	*313	34	7,973	34	470	33	1,392
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	*4	*6	*4	*-1	*4	*5
\$100,000 under \$500,000.....	*4	* (2)	*6	*125	*6	*-50	*6	*72
\$500,000 under \$1,000,000.....	*4	*75	*20	*5,464	*20	*1,298	*20	*647
\$1,000,000 under \$10,000,000.....	3	162	3	953	3	145	3	668
\$10,000,000 or more.....	1	77	1	1,425	1	-923	--	--
<b>GRANTMAKING CHARITABLE TRUSTS</b>								
Total.....	1,553	36,795	2,479	179,404	2,453	64,400	2,435	189,348
Zero or unreported.....	*11	*5	*26	*2,706	*26	*-1,436	*26	*352
\$1 under \$100,000.....	414	443	868	4,268	853	30	834	2,890
\$100,000 under \$500,000.....	545	3,400	855	17,599	847	5,393	849	16,085
\$500,000 under \$1,000,000.....	265	3,794	348	22,528	346	6,606	346	19,345
\$1,000,000 under \$10,000,000.....	279	15,514	339	64,240	338	18,748	338	71,617
\$10,000,000 or more.....	39	13,640	43	68,063	43	35,059	42	79,061
<b>Grantmaking-nonoperating trusts</b>								
Total.....	1,546	36,639	2,466	177,748	2,440	65,294	2,423	189,095
Zero or unreported.....	*11	*5	*26	*2,706	*26	*-1,436	*26	*352
\$1 under \$100,000.....	414	443	864	4,262	849	31	830	2,884
\$100,000 under \$500,000.....	541	3,400	849	17,474	841	5,443	843	16,013
\$500,000 under \$1,000,000.....	263	3,714	346	22,429	344	6,526	344	19,169
\$1,000,000 under \$10,000,000.....	279	15,514	339	64,240	338	18,748	338	71,617
\$10,000,000 or more.....	38	13,563	42	66,637	42	35,982	42	79,061
<b>Grantmaking-operating trusts</b>								
Total.....	*7	*158	*13	*1,656	*13	*-894	*12	*253
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	*4	*6	*4	*-1	*4	*5
\$100,000 under \$500,000.....	*4	* (2)	*6	*125	*6	*-50	*6	*72
\$500,000 under \$1,000,000.....	*2	*80	*2	*100	*2	*80	*2	*176
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	77	1	1,425	1	-923	--	--

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Disbursements for exempt purposes		Contributions, gifts, and grants paid <sup>1</sup>		Grant administrative expenses	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)
<b>ALL CHARITABLE TRUSTS</b>						
Total.....	2,555	163,485	2,479	151,810	1,961	6,350
Zero or unreported.....	*26	*2,629	*26	*2,495	*19	*134
\$1 under \$100,000.....	916	3,726	868	3,468	658	196
\$100,000 under \$500,000.....	865	15,397	855	14,520	687	796
\$500,000 under \$1,000,000.....	356	19,797	348	18,813	294	921
\$1,000,000 under \$10,000,000.....	346	56,354	339	53,743	265	1,804
\$10,000,000 or more.....	45	65,582	43	58,771	38	2,499
<b>Nonoperating trusts</b>						
Total.....	2,541	161,945	2,466	150,979	1,954	6,277
Zero or unreported.....	*26	*2,629	*26	*2,495	*19	*134
\$1 under \$100,000.....	912	3,720	864	3,463	658	196
\$100,000 under \$500,000.....	859	15,280	849	14,407	683	791
\$500,000 under \$1,000,000.....	354	19,708	346	18,725	292	921
\$1,000,000 under \$10,000,000.....	345	55,853	339	53,743	265	1,804
\$10,000,000 or more.....	44	64,754	42	58,147	37	2,431
<b>Operating trusts</b>						
Total.....	*14	*1,540	*13	*830	*7	*73
Zero or unreported.....	--	--	--	--	--	--
\$1 under \$100,000.....	*4	*6	*4	*4	--	--
\$100,000 under \$500,000.....	*6	*117	*6	*113	*4	*5
\$500,000 under \$1,000,000.....	*2	*89	*2	*89	*2	*( ? )
\$1,000,000 under \$10,000,000.....	1	500	--	--	--	--
\$10,000,000 or more.....	1	828	1	625	1	68
<b>GRANTMAKING CHARITABLE TRUSTS</b>						
Total.....	2,479	158,881	2,479	151,810	1,940	6,268
Zero or unreported.....	*26	*2,629	*26	*2,495	*19	*134
\$1 under \$100,000.....	868	3,714	868	3,468	643	187
\$100,000 under \$500,000.....	855	15,389	855	14,520	685	794
\$500,000 under \$1,000,000.....	348	19,766	348	18,813	292	907
\$1,000,000 under \$10,000,000.....	339	55,734	339	53,743	265	1,804
\$10,000,000 or more.....	43	61,649	43	58,771	36	2,441
<b>Grantmaking-nonoperating trusts</b>						
Total.....	2,466	157,842	2,466	150,979	1,933	6,195
Zero or unreported.....	*26	*2,629	*26	*2,495	*19	*134
\$1 under \$100,000.....	864	3,708	864	3,463	643	187
\$100,000 under \$500,000.....	849	15,272	849	14,407	681	789
\$500,000 under \$1,000,000.....	346	19,677	346	18,725	290	907
\$1,000,000 under \$10,000,000.....	339	55,734	339	53,743	265	1,804
\$10,000,000 or more.....	42	60,821	42	58,147	35	2,373
<b>Grantmaking-operating trusts</b>						
Total.....	*13	*1,039	*13	*830	*7	*73
Zero or unreported.....	--	--	--	--	--	--
\$1 under \$100,000.....	*4	*6	*4	*4	--	--
\$100,000 under \$500,000.....	*6	*117	*6	*113	*4	*5
\$500,000 under \$1,000,000.....	*2	*89	*2	*89	*2	*( ? )
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--
\$10,000,000 or more.....	1	828	1	625	1	68

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Excise tax on net investment income					Total assets (book value)	
	Total	Domestic organizations		Foreign organizations		Number of returns	Amount
		Number of returns	Amount	Number of returns	Amount		
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>ALL CHARITABLE TRUSTS</b>							
Total.....	3,201	2,527	3,192	3	8	2,591	2,198,736
Zero or unreported.....	*4	*26	*4	--	--	--	--
\$1 under \$100,000.....	49	882	49	--	--	938	35,517
\$100,000 under \$500,000.....	266	853	266	--	--	870	181,239
\$500,000 under \$1,000,000.....	312	370	312	--	--	379	220,553
\$1,000,000 under \$10,000,000.....	1,182	351	1,174	3	8	357	821,006
\$10,000,000 or more.....	1,387	44	1,387	--	--	46	940,421
<b>Nonoperating trusts</b>							
Total.....	3,179	2,487	3,171	3	8	2,557	2,164,186
Zero or unreported.....	*4	*26	*4	--	--	--	--
\$1 under \$100,000.....	49	882	49	--	--	935	35,453
\$100,000 under \$500,000.....	265	847	265	--	--	863	180,320
\$500,000 under \$1,000,000.....	299	350	299	--	--	359	206,073
\$1,000,000 under \$10,000,000.....	1,174	348	1,166	3	8	354	808,978
\$10,000,000 or more.....	1,387	44	1,387	--	--	45	933,362
<b>Operating trusts</b>							
Total.....	*21	*29	*21	--	--	34	34,551
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	--	--	--	*4	*64
\$100,000 under \$500,000.....	*1	*6	*1	--	--	*6	*919
\$500,000 under \$1,000,000.....	*13	*20	*13	--	--	*20	*14,480
\$1,000,000 under \$10,000,000.....	8	3	8	--	--	3	12,028
\$10,000,000 or more.....	--	--	--	--	--	1	7,059
<b>GRANTMAKING CHARITABLE TRUSTS</b>							
Total.....	3,016	2,410	3,008	3	8	2,453	2,052,132
Zero or unreported.....	*4	*26	*4	--	--	--	--
\$1 under \$100,000.....	48	826	48	--	--	868	34,486
\$100,000 under \$500,000.....	264	843	264	--	--	855	178,447
\$500,000 under \$1,000,000.....	293	340	293	--	--	348	198,336
\$1,000,000 under \$10,000,000.....	1,125	334	1,117	3	8	339	768,972
\$10,000,000 or more.....	1,281	41	1,281	--	--	43	871,891
<b>Grantmaking-nonoperating trusts</b>							
Total.....	3,012	2,402	3,003	3	8	2,440	2,042,958
Zero or unreported.....	*4	*26	*4	--	--	--	--
\$1 under \$100,000.....	48	826	48	--	--	864	34,422
\$100,000 under \$500,000.....	263	837	263	--	--	849	177,528
\$500,000 under \$1,000,000.....	289	338	289	--	--	346	197,204
\$1,000,000 under \$10,000,000.....	1,125	334	1,117	3	8	339	768,972
\$10,000,000 or more.....	1,281	41	1,281	--	--	42	864,832
<b>Grantmaking-operating trusts</b>							
Total.....	*4	*8	*4	--	--	*13	*9,175
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	--	--	--	*4	*64
\$100,000 under \$500,000.....	*1	*6	*1	--	--	*6	*919
\$500,000 under \$1,000,000.....	*4	*2	*4	--	--	*2	*1,132
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--
\$10,000,000 or more.....	--	--	--	--	--	1	7,059

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Investments in securities (book value)							
	Total		Government obligations		Corporate stock		Corporate bonds	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
<b>ALL CHARITABLE TRUSTS</b>								
Total.....	1,799	1,422,025	944	424,529	1,332	687,818	855	309,879
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	513	17,442	234	5,744	332	8,517	164	3,181
\$100,000 under \$500,000.....	606	96,920	257	28,480	435	45,435	278	23,006
\$500,000 under \$1,000,000.....	305	130,863	201	43,420	238	65,989	190	21,453
\$1,000,000 under \$10,000,000.....	331	557,772	224	180,879	285	256,758	194	120,135
\$10,000,000 or more.....	44	619,028	29	166,005	42	310,919	30	142,104
<b>Nonoperating trusts</b>								
Total.....	1,788	1,412,856	936	420,851	1,323	684,022	844	307,982
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	513	17,442	234	5,744	332	8,517	164	3,181
\$100,000 under \$500,000.....	602	96,316	254	28,428	433	45,301	273	22,586
\$500,000 under \$1,000,000.....	301	128,653	197	42,298	234	65,619	186	20,736
\$1,000,000 under \$10,000,000.....	329	554,076	222	178,375	283	256,253	192	119,448
\$10,000,000 or more.....	43	616,369	29	166,005	41	308,332	29	142,032
<b>Operating trusts</b>								
Total.....	*11	*9,169	*8	*3,678	*9	*3,595	*11	*1,896
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	--	--	--	--	--	--
\$100,000 under \$500,000.....	*4	*605	*2	*51	*2	*134	*4	*419
\$500,000 under \$1,000,000.....	*4	*2,210	*4	*1,122	*4	*370	*4	*718
\$1,000,000 under \$10,000,000.....	2	3,696	2	2,504	2	504	2	687
\$10,000,000 or more.....	1	2,659	--	--	1	2,587	1	72
<b>GRANTMAKING CHARITABLE TRUSTS</b>								
Total.....	1,732	1,345,996	915	394,022	1,281	654,316	816	297,658
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	480	17,123	227	5,650	313	8,371	150	3,101
\$100,000 under \$500,000.....	598	95,749	254	28,270	427	44,922	271	22,557
\$500,000 under \$1,000,000.....	297	127,957	193	42,300	230	64,951	184	20,706
\$1,000,000 under \$10,000,000.....	317	542,038	215	175,401	271	251,443	184	115,194
\$10,000,000 or more.....	41	563,129	27	142,400	40	284,629	28	136,100
<b>Grantmaking-nonoperating trusts</b>								
Total.....	1,725	1,341,651	911	393,116	1,276	651,449	809	297,085
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	480	17,123	227	5,650	313	8,371	150	3,101
\$100,000 under \$500,000.....	593	95,144	252	28,219	425	44,789	267	22,137
\$500,000 under \$1,000,000.....	295	126,875	191	41,446	228	64,805	181	20,624
\$1,000,000 under \$10,000,000.....	317	542,038	215	175,401	271	251,443	184	115,194
\$10,000,000 or more.....	40	560,470	27	142,400	39	282,042	27	136,028
<b>Grantmaking-operating trusts</b>								
Total.....	*7	*4,345	*4	*905	*5	*2,866	*7	*573
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	--	--	--	--	--	--	--	--
\$100,000 under \$500,000.....	*4	*605	*2	*51	*2	*134	*4	*419
\$500,000 under \$1,000,000.....	*2	*1,082	*2	*854	*2	*146	*2	*82
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	2,659	--	--	1	2,587	1	72

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Total assets (fair market value)		Investments in securities (fair market value)							
	Number of returns	Amount	Total		Government obligations		Corporate stock		Corporate bonds	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>ALL CHARITABLE TRUSTS</b>										
Total.....	2,591	2,772,383	1,799	1,876,538	942	449,006	1,331	1,101,441	855	326,091
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	938	39,283	513	19,355	234	6,162	332	9,863	164	3,331
\$100,000 under \$500,000.....	870	211,936	606	118,256	257	30,255	435	63,333	278	24,667
\$500,000 under \$1,000,000.....	379	263,647	305	156,413	199	43,313	238	89,439	190	23,661
\$1,000,000 under \$10,000,000.....	357	1,009,619	331	715,615	224	195,918	284	392,477	194	127,221
\$10,000,000 or more.....	46	1,247,898	44	866,899	29	173,357	42	546,329	30	147,212
<b>Nonoperating trusts</b>										
Total.....	2,557	2,725,825	1,788	1,865,652	934	445,260	1,322	1,096,199	844	324,193
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	935	39,218	513	19,355	234	6,162	332	9,863	164	3,331
\$100,000 under \$500,000.....	863	211,024	602	117,663	254	30,204	433	63,199	273	24,261
\$500,000 under \$1,000,000.....	359	248,989	301	154,079	195	42,146	234	89,015	186	22,918
\$1,000,000 under \$10,000,000.....	354	995,010	329	711,831	222	193,390	282	391,925	192	126,516
\$10,000,000 or more.....	45	1,231,583	43	862,723	29	173,357	41	542,198	29	147,168
<b>Operating trusts</b>										
Total.....	34	46,558	*11	*10,886	*8	*3,746	*9	*5,242	*11	*1,898
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*4	*64	--	--	--	--	--	--	--	--
\$100,000 under \$500,000.....	*6	*911	*4	*592	*2	*52	*2	*135	*4	*406
\$500,000 under \$1,000,000.....	*20	*14,658	*4	*2,333	*4	*1,167	*4	*424	*4	*743
\$1,000,000 under \$10,000,000.....	3	14,609	2	3,784	2	2,527	2	552	2	705
\$10,000,000 or more.....	1	16,315	1	4,176	--	--	1	4,132	1	44
<b>GRANTMAKING CHARITABLE TRUSTS</b>										
Total.....	2,453	2,585,125	1,732	1,768,263	913	416,338	1,280	1,040,814	816	311,112
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	868	38,077	480	18,884	227	6,066	313	9,564	150	3,253
\$100,000 under \$500,000.....	855	209,100	598	117,042	254	30,042	427	62,792	271	24,209
\$500,000 under \$1,000,000.....	348	240,100	297	152,580	191	42,325	230	87,381	184	22,875
\$1,000,000 under \$10,000,000.....	339	946,164	317	696,391	215	190,255	270	384,388	184	121,748
\$10,000,000 or more.....	43	1,151,683	41	783,366	27	147,650	40	496,688	28	139,028
<b>Grantmaking-nonoperating trusts</b>										
Total.....	2,440	2,566,636	1,725	1,762,347	909	415,399	1,275	1,036,367	809	310,581
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	864	38,013	480	18,884	227	6,066	313	9,564	150	3,253
\$100,000 under \$500,000.....	849	208,189	593	116,450	252	29,990	425	62,657	267	23,803
\$500,000 under \$1,000,000.....	346	238,902	295	151,432	189	41,438	228	87,201	181	22,794
\$1,000,000 under \$10,000,000.....	339	946,164	317	696,391	215	190,255	270	384,388	184	121,748
\$10,000,000 or more.....	42	1,135,368	40	779,190	27	147,650	39	492,557	27	138,983
<b>Grantmaking-operating trusts</b>										
Total.....	*13	*18,489	*7	*5,917	*4	*939	*5	*4,446	*7	*532
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*4	*64	--	--	--	--	--	--	--	--
\$100,000 under \$500,000.....	*6	*911	*4	*592	*2	*52	*2	*135	*4	*406
\$500,000 under \$1,000,000.....	*2	*1,198	*2	*1,148	*2	*887	*2	*180	*2	*81
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	16,315	1	4,176	--	--	1	4,132	1	44

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Net worth		Minimum investment return		Distributable amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(47)	(48)	(49)	(50)	(51)	(52)
<b>ALL CHARITABLE TRUSTS</b>						
Total.....	2,591	2,188,227	2,811	129,127	2,554	118,265
Zero or unreported.....	--	--	*26	*305	*26	*337
\$1 under \$100,000.....	938	35,462	935	1,933	910	1,902
\$100,000 under \$500,000.....	870	180,902	868	10,227	861	10,027
\$500,000 under \$1,000,000.....	379	214,891	379	12,474	359	11,820
\$1,000,000 under \$10,000,000.....	357	818,234	357	48,273	353	46,519
\$10,000,000 or more.....	46	938,737	46	55,914	44	47,661
<b>Nonoperating trusts</b>						
Total.....	2,557	2,159,866	2,577	127,737	2,554	118,265
Zero or unreported.....	--	--	*26	*305	*26	*337
\$1 under \$100,000.....	935	35,398	931	1,930	910	1,902
\$100,000 under \$500,000.....	863	179,991	861	10,181	861	10,027
\$500,000 under \$1,000,000.....	359	205,159	359	12,189	359	11,820
\$1,000,000 under \$10,000,000.....	354	806,238	354	47,956	353	46,519
\$10,000,000 or more.....	45	932,879	45	55,176	44	47,661
<b>Operating trusts</b>						
Total.....	34	28,560	34	1,390	N/A	N/A
Zero or unreported.....	--	--	--	--	N/A	N/A
\$1 under \$100,000.....	*4	*64	*4	*3	N/A	N/A
\$100,000 under \$500,000.....	*6	*911	*6	*46	N/A	N/A
\$500,000 under \$1,000,000.....	*20	*9,732	*20	*285	N/A	N/A
\$1,000,000 under \$10,000,000.....	3	11,995	3	318	N/A	N/A
\$10,000,000 or more.....	1	5,858	1	738	N/A	N/A
<b>GRANTMAKING CHARITABLE TRUSTS</b>						
Total.....	2,453	2,048,579	2,479	121,917	2,449	115,356
Zero or unreported.....	--	--	*26	*305	*26	*337
\$1 under \$100,000.....	868	34,447	868	1,875	847	1,831
\$100,000 under \$500,000.....	855	178,110	855	10,113	849	9,910
\$500,000 under \$1,000,000.....	348	197,422	348	11,784	346	11,365
\$1,000,000 under \$10,000,000.....	339	766,393	339	45,880	339	44,926
\$10,000,000 or more.....	43	870,208	43	51,960	42	46,986
<b>Grantmaking-nonoperating trusts</b>						
Total.....	2,440	2,038,614	2,466	121,070	2,449	115,356
Zero or unreported.....	--	--	*26	*305	*26	*337
\$1 under \$100,000.....	864	34,382	864	1,872	847	1,831
\$100,000 under \$500,000.....	849	177,199	849	10,067	849	9,910
\$500,000 under \$1,000,000.....	346	196,290	346	11,724	346	11,365
\$1,000,000 under \$10,000,000.....	339	766,393	339	45,880	339	44,926
\$10,000,000 or more.....	42	864,350	42	51,222	42	46,986
<b>Grantmaking-operating trusts</b>						
Total.....	*13	*7,965	*13	*847	N/A	N/A
Zero or unreported.....	--	--	--	--	N/A	N/A
\$1 under \$100,000.....	*4	*64	*4	*3	N/A	N/A
\$100,000 under \$500,000.....	*6	*911	*6	*46	N/A	N/A
\$500,000 under \$1,000,000.....	*2	*1,132	*2	*60	N/A	N/A
\$1,000,000 under \$10,000,000.....	--	--	--	--	N/A	N/A
\$10,000,000 or more.....	1	5,858	1	738	N/A	N/A

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Organization and Size of Fair Market Value of Total Assets--Continued**

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

Size of fair market value of total assets	Qualifying distributions		Undistributed income for 1990		Excess distributions carryover to 1991	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(53)	(54)	(55)	(56)	(57)	(58)
<b>ALL CHARITABLE TRUSTS</b>						
<b>Total</b> .....	<b>2,532</b>	<b>162,958</b>	<b>533</b>	<b>19,944</b>	<b>2,008</b>	<b>160,671</b>
Zero or unreported.....	*26	*2,566	--	--	*26	*2,138
\$1 under \$100,000.....	892	3,568	198	227	704	8,617
\$100,000 under \$500,000.....	865	15,232	152	1,119	705	18,967
\$500,000 under \$1,000,000.....	356	19,434	73	1,847	287	23,854
\$1,000,000 under \$10,000,000.....	347	56,762	98	8,382	253	49,542
\$10,000,000 or more.....	45	65,396	11	8,368	33	57,552
<b>Nonoperating trusts</b>						
<b>Total</b> .....	<b>2,518</b>	<b>161,373</b>	<b>533</b>	<b>19,944</b>	<b>2,008</b>	<b>160,671</b>
Zero or unreported.....	*26	*2,566	--	--	*26	*2,138
\$1 under \$100,000.....	888	3,563	198	227	704	8,617
\$100,000 under \$500,000.....	859	15,115	152	1,119	705	18,967
\$500,000 under \$1,000,000.....	354	19,345	73	1,847	287	23,854
\$1,000,000 under \$10,000,000.....	346	56,261	98	8,382	253	49,542
\$10,000,000 or more.....	44	64,523	11	8,368	33	57,552
<b>Operating trusts</b>						
<b>Total</b> .....	<b>*14</b>	<b>*1,585</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported.....	--	--	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	*4	*6	N/A	N/A	N/A	N/A
\$100,000 under \$500,000.....	*6	*117	N/A	N/A	N/A	N/A
\$500,000 under \$1,000,000.....	*2	*89	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	1	500	N/A	N/A	N/A	N/A
\$10,000,000 or more.....	1	873	N/A	N/A	N/A	N/A
<b>GRANTMAKING CHARITABLE TRUSTS</b>						
<b>Total</b> .....	<b>2,462</b>	<b>158,091</b>	<b>477</b>	<b>17,924</b>	<b>1,958</b>	<b>146,335</b>
Zero or unreported.....	*26	*2,566	--	--	*26	*2,138
\$1 under \$100,000.....	851	3,566	169	199	671	7,687
\$100,000 under \$500,000.....	855	15,160	146	1,079	699	18,859
\$500,000 under \$1,000,000.....	348	19,403	63	1,555	282	23,396
\$1,000,000 under \$10,000,000.....	339	55,919	88	7,166	248	48,919
\$10,000,000 or more.....	43	61,477	10	7,924	32	45,338
<b>Grantmaking-nonoperating trusts</b>						
<b>Total</b> .....	<b>2,449</b>	<b>157,006</b>	<b>477</b>	<b>17,924</b>	<b>1,958</b>	<b>146,335</b>
Zero or unreported.....	*26	*2,566	--	--	*26	*2,138
\$1 under \$100,000.....	847	3,560	169	199	671	7,687
\$100,000 under \$500,000.....	849	15,043	146	1,079	699	18,859
\$500,000 under \$1,000,000.....	346	19,314	63	1,555	282	23,396
\$1,000,000 under \$10,000,000.....	339	55,919	88	7,166	248	48,919
\$10,000,000 or more.....	42	60,604	10	7,924	32	45,338
<b>Grantmaking-operating trusts</b>						
<b>Total</b> .....	<b>*13</b>	<b>*1,085</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported.....	--	--	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	*4	*6	N/A	N/A	N/A	N/A
\$100,000 under \$500,000.....	*6	*117	N/A	N/A	N/A	N/A
\$500,000 under \$1,000,000.....	*2	*89	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	--	--	N/A	N/A	N/A	N/A
\$10,000,000 or more.....	1	873	N/A	N/A	N/A	N/A

N/A - not applicable.

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that foundations actually disbursed for charitable purposes for 1990 using the cash receipts and disbursements method of accounting. This figure differs somewhat from that reported as contributions, gifts, and grants paid in the income statement of Table 4. When reporting the amount used in the income statement, or per the books, foundations have the option of using either the cash receipts and disbursements or the accrual method of accounting. This difference in reporting method, therefore, accounts for the difference in the amount of contributions, gifts, and grants paid as reported in Tables 2 and 4.

<sup>2</sup> Less than \$500.

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

# Private Foundations and Charitable Trusts, 1990

**Table 3.--All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets**

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

Item	Total	Size of fair market value of total assets			
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	40,166	1,296	14,611	15,010	7,511
<b>Total assets (book value).....</b>	<b>127,971,967</b>	<b>*23,063</b>	<b>481,282</b>	<b>5,109,851</b>	<b>20,125,709</b>
Cash, total.....	15,176,223	14,891	231,659	1,602,282	3,787,265
Non-interest bearing accounts.....	1,325,540	*113	65,940	297,071	405,921
Savings and temporary cash investments.....	13,850,683	*14,778	165,719	1,305,211	3,381,344
Accounts receivable, net.....	379,468	-	2,371	15,926	66,159
Pledges receivable, net.....	167,725	-	*1,064	*25,722	49,562
Grants receivable.....	71,769	-	*722	*171	*11,525
Receivables due from disqualified persons.....	24,378	-	*848	*3,469	*13,046
Other notes and loans receivable.....	1,028,611	-	6,875	122,877	254,600
Inventories.....	18,644	-	*1,771	*1,848	5,251
Prepaid expenses and deferred charges.....	83,194	*5	607	3,953	7,254
Investments (non-cash), total.....	106,810,278	-	210,451	3,006,210	14,955,272
Securities, total.....	93,600,981	-	177,347	2,494,940	13,046,605
U.S. and State Government obligations.....	30,892,825	-	36,601	765,922	4,951,870
Corporate stock.....	48,531,018	-	112,914	1,222,036	5,887,434
Corporate bonds.....	14,177,138	-	27,832	506,982	2,207,300
Land, buildings, and equipment (less accumulated depreciation).....	2,572,967	-	*2,902	79,254	394,525
Mortgage loans.....	647,526	-	*4,214	65,258	195,445
Other investments.....	9,988,804	-	25,988	366,758	1,318,697
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	2,358,072	*8,106	9,546	193,940	610,872
Other assets.....	1,853,600	*61	15,367	133,451	364,901
<b>Total liabilities.....</b>	<b>4,798,525</b>	<b>10,614</b>	<b>41,205</b>	<b>130,613</b>	<b>548,844</b>
<b>Net worth.....</b>	<b>123,173,442</b>	<b>12,450</b>	<b>440,078</b>	<b>4,979,238</b>	<b>19,576,865</b>
<b>Total revenue.....</b>	<b>19,521,182</b>	<b>111,852</b>	<b>353,535</b>	<b>1,194,749</b>	<b>3,865,152</b>
Contributions, gifts, and grants received.....	6,814,071	99,540	304,231	773,753	2,055,219
Interest on savings and temporary cash investments.....	1,548,361	2,046	15,781	116,103	352,451
Dividends and interest from securities.....	6,396,693	*8,242	13,878	214,278	937,929
Gross rents.....	216,833	*1,643	*1,166	13,791	46,733
Net gain (less loss) from sale of assets.....	3,949,855	*465	1,851	53,751	300,895
Gross profit (less loss) from business activities.....	68,977	*3	1,315	675	36,770
Other income.....	526,388	*85	15,312	22,396	135,154
<b>Total expenses.....</b>	<b>11,715,111</b>	<b>159,214</b>	<b>381,295</b>	<b>906,975</b>	<b>2,369,766</b>
Contributions, gifts, and grants paid.....	9,062,736	148,890	318,315	709,041	1,705,741
Compensation of officers.....	244,357	*102	4,702	18,510	57,887
Other salaries and wages.....	479,976	*1,285	11,231	47,023	105,563
Pension plans and employee benefits.....	126,545	-	742	3,989	11,389
Legal fees.....	72,665	827	2,102	12,395	17,233
Accounting fees.....	59,788	982	3,713	10,976	20,323
Other professional fees.....	323,728	*861	3,653	13,293	52,265
Interest.....	57,658	*2,263	459	5,366	20,771
Taxes.....	221,228	344	2,047	15,342	46,855
Depreciation and depletion.....	133,122	*411	1,226	6,910	22,623
Occupancy.....	138,256	*326	3,224	13,665	26,317
Travel, conferences and meetings.....	66,852	*67	6,068	4,698	8,157
Printing and publications.....	35,098	-	3,028	3,352	4,659
Other expenses.....	693,097	1,823	20,784	42,414	269,982
<b>Excess of revenue (less loss) over expenses.....</b>	<b>7,806,070</b>	<b>-46,362</b>	<b>-27,761</b>	<b>287,773</b>	<b>1,495,385</b>
Excess of revenue.....	9,451,344	*2,165	56,742	456,289	1,893,657
Loss.....	-1,645,274	-48,528	-84,503	-168,516	-398,271
<b>Total assets (fair market value).....</b>	<b>164,828,987</b>	<b>-</b>	<b>470,450</b>	<b>5,567,535</b>	<b>22,969,710</b>
Cash, total.....	15,180,092	-	230,003	1,601,797	3,791,013
Non-interest bearing accounts.....	1,323,028	-	64,966	296,821	406,870
Savings and temporary cash investments.....	13,857,064	-	165,037	1,304,976	3,384,143
Accounts receivable, net.....	387,200	-	2,169	15,764	68,731
Pledges receivable, net.....	171,129	-	*1,064	*25,722	52,966
Grants receivable.....	73,546	-	*722	*171	*11,525
Receivables due from disqualified persons.....	24,301	-	*848	*3,469	*13,046
Other notes and loans receivable.....	1,055,594	-	6,875	122,198	232,122
Inventories.....	21,542	-	*1,383	*1,906	5,251
Prepaid expenses and deferred charges.....	108,873	-	622	3,898	7,121
Investments (non-cash), total.....	142,349,051	-	201,050	3,415,234	17,543,926
Securities, total.....	126,199,220	-	166,491	2,873,394	15,430,825
U.S. and State Government obligations.....	32,480,715	-	37,859	799,947	5,078,064
Corporate stock.....	79,328,717	-	100,836	1,572,982	8,110,469
Corporate bonds.....	14,389,787	-	27,796	500,465	2,242,291
Land, buildings, and equipment (less accumulated depreciation).....	3,513,986	-	*4,031	91,825	545,046
Mortgage loans.....	655,090	-	*4,214	65,263	204,981
Other investments.....	11,980,755	-	26,313	384,752	1,363,074
Charitable-purpose land, buildings, and equipment (less accumulated depreciation).....	3,024,859	-	9,611	220,557	780,822
Other assets.....	2,432,795	-	16,103	156,818	463,186
<b>Total beginning-of-year assets (book value).....</b>	<b>119,586,132</b>	<b>242,701</b>	<b>589,966</b>	<b>4,802,200</b>	<b>18,424,099</b>
<b>Investments in securities, beginning of year (book value).....</b>	<b>86,890,539</b>	<b>140,107</b>	<b>190,750</b>	<b>2,307,387</b>	<b>11,835,258</b>
U.S. and State Government obligations.....	28,187,944	*75,625	51,025	693,318	4,288,563
Corporate stock.....	45,608,024	51,326	111,613	1,127,580	5,593,414
Corporate bonds.....	13,094,571	*135,17	28,112	486,489	1,953,282

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 3.--All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets--Continued**

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

Item	Size of fair market value of total assets--Continued			
	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(6)	(7)	(8)	(9)
Number of returns.....	1,006	337	202	194
<b>Total assets (book value).....</b>	<b>13,072,032</b>	<b>10,061,329</b>	<b>12,158,466</b>	<b>66,940,234</b>
Cash, total.....	1,761,776	1,177,623	1,103,041	5,487,685
Non-interest bearing accounts.....	203,196	112,444	65,509	175,346
Savings and temporary cash investments.....	1,558,580	1,065,179	1,037,532	5,322,339
Accounts receivable, net.....	49,428	44,899	29,001	171,685
Pledges receivable, net.....	8,975	80,458	1,274	670
Grants receivable.....	9,912	3,078	31,527	14,835
Receivables due from disqualified persons.....	128	39	6,088	760
Other notes and loans receivable.....	128,844	131,165	88,510	295,740
Inventories.....	3,914	369	1,149	4,341
Prepaid expenses and deferred charges.....	6,164	16,947	26,197	22,067
Investments (non-cash), total.....	10,375,007	8,288,386	10,350,202	59,614,751
Securities, total.....	9,218,764	7,501,415	9,354,951	51,806,959
U.S. and State Government obligations.....	3,269,863	2,865,553	3,048,542	15,954,474
Corporate stock.....	4,135,990	3,181,954	4,585,110	29,405,580
Corporate bonds.....	1,812,911	1,453,909	1,721,299	6,446,905
Land, buildings, and equipment (less accumulated depreciation).....	175,189	194,838	202,258	1,524,002
Mortgage loans.....	78,324	64,521	80,264	159,500
Other investments.....	902,730	537,611	712,729	6,124,290
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	477,461	195,101	315,022	548,023
Other assets.....	250,423	113,265	206,455	769,676
<b>Total liabilities.....</b>	<b>295,204</b>	<b>399,060</b>	<b>354,656</b>	<b>3,018,329</b>
<b>Net worth.....</b>	<b>12,776,827</b>	<b>9,662,269</b>	<b>11,803,810</b>	<b>63,921,905</b>
<b>Total revenue.....</b>	<b>2,380,854</b>	<b>1,549,202</b>	<b>1,431,488</b>	<b>8,634,351</b>
Contributions, gifts, and grants received.....	1,127,132	608,582	382,738	1,462,877
Interest on savings and temporary cash investments.....	197,711	139,078	143,646	581,547
Dividends and interest from securities.....	640,613	514,077	613,280	3,454,396
Gross rents.....	15,615	27,089	13,976	96,820
Net gain (less loss) from sale of assets.....	271,360	197,016	238,428	2,886,090
Gross profit (less loss) from business activities.....	15,178	8,680	3,090	3,266
Other income.....	113,246	54,679	36,330	149,356
<b>Total expenses.....</b>	<b>1,382,056</b>	<b>1,001,826</b>	<b>992,994</b>	<b>4,522,083</b>
Contributions, gifts, and grants paid.....	1,090,038	781,029	772,101	3,537,581
Compensation of officers.....	34,818	25,623	24,793	77,921
Other salaries and wages.....	51,101	41,793	39,719	182,261
Pension plans and employee benefits.....	8,903	10,013	10,774	80,737
Legal fees.....	6,797	5,674	7,297	20,341
Accounting fees.....	7,303	4,652	5,063	6,776
Other professional fees.....	34,251	26,275	30,395	162,734
Interest.....	6,749	9,558	3,188	9,304
Taxes.....	28,648	21,870	19,124	86,998
Depreciation and depletion.....	17,019	18,190	10,781	55,962
Occupancy.....	18,040	10,600	11,988	54,096
Travel, conferences and meetings.....	4,057	3,412	4,837	35,555
Printing and publications.....	2,772	1,358	4,166	15,731
Other expenses.....	71,559	41,781	48,869	196,085
<b>Excess of revenue (less loss) over expenses.....</b>	<b>998,798</b>	<b>547,376</b>	<b>438,593</b>	<b>4,112,268</b>
Excess of revenue.....	1,190,217	694,903	607,904	4,549,467
Loss.....	-191,420	-147,527	-169,311	-437,199
<b>Total assets (fair market value).....</b>	<b>15,555,482</b>	<b>11,874,489</b>	<b>14,073,237</b>	<b>94,318,083</b>
Cash, total.....	1,763,837	1,175,105	1,103,664	5,514,672
Non-interest bearing accounts.....	203,790	108,855	66,515	175,211
Savings and temporary cash investments.....	1,560,047	1,066,251	1,037,149	5,339,462
Accounts receivable, net.....	53,406	44,899	29,310	172,922
Pledges receivable, net.....	8,975	80,458	1,274	670
Grants receivable.....	9,912	4,854	31,527	14,835
Receivables due from disqualified persons.....	53	39	6,088	760
Other notes and loans receivable.....	128,884	127,765	80,286	357,463
Inventories.....	3,919	369	1,149	7,567
Prepaid expenses and deferred charges.....	6,175	17,358	26,116	47,583
Investments (non-cash), total.....	12,704,833	9,968,063	12,206,077	86,309,868
Securities, total.....	11,378,244	8,886,403	10,929,211	76,534,652
U.S. and State Government obligations.....	3,405,720	2,983,803	3,200,684	16,974,638
Corporate stock.....	6,074,254	4,439,704	6,043,193	52,987,279
Corporate bonds.....	1,898,271	1,462,895	1,685,334	6,572,735
Land, buildings, and equipment (less accumulated depreciation).....	237,634	378,157	336,785	1,920,508
Mortgage loans.....	71,986	64,579	80,292	163,775
Other investments.....	1,016,969	638,924	858,790	7,690,932
Charitable-purpose land, buildings, and equipment (less accumulated depreciation).....	605,049	327,595	326,028	755,196
Other assets.....	270,439	127,984	261,718	1,136,547
<b>Total beginning-of-year assets (book value).....</b>	<b>11,947,506</b>	<b>9,482,715</b>	<b>11,561,628</b>	<b>62,535,316</b>
<b>Investments in securities, beginning of year (book value).....</b>	<b>8,488,672</b>	<b>6,874,751</b>	<b>8,796,349</b>	<b>48,157,264</b>
U.S. and State Government obligations.....	2,894,662	2,459,936	2,899,491	14,825,684
Corporate stock.....	3,837,048	3,096,750	4,290,308	27,499,986
Corporate bonds.....	1,756,962	1,418,065	1,606,550	5,831,594

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

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

# Private Foundations and Charitable Trusts, 1990

**Table 4.—All 4947(a)(1) Charitable Trusts Treated as Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets**

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

Item	Total	Size of fair market value of total assets					
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns</b> .....	2,617	*26	938	870	379	357	46
<b>Total assets (book value)</b> .....	2,198,736	-	35,517	181,239	220,553	821,006	940,421
Cash, total.....	295,505	-	6,554	28,821	27,856	94,152	138,122
Non-interest bearing accounts.....	39,404	-	2,139	4,898	2,688	10,779	18,900
Savings and temporary cash investments.....	256,101	-	4,416	23,923	25,168	83,373	119,222
Accounts receivable, net.....	11,613	-	-	*102	*7,207	374	3,932
Pledges receivable, net.....	42	-	-	-	-	42	-
Grants receivable.....	-	-	-	-	-	-	-
Receivables due from disqualified persons.....	*1,221	-	-	-	*1,221	-	-
Other notes and loans receivable.....	32,775	-	*372	*1,694	*64	6,607	24,037
Inventories.....	-	-	-	-	-	-	-
Prepaid expenses and deferred charges.....	1,408	-	-	*3	*225	1,065	115
Investments (non-cash), total.....	1,718,660	-	24,903	121,678	161,890	669,496	740,693
Securities, total.....	1,422,025	-	17,442	96,920	130,863	557,772	619,028
U.S. and state government obligations.....	424,529	-	5,744	28,480	43,420	180,879	166,005
Corporate stock.....	687,618	-	8,517	45,435	65,989	256,758	310,919
Corporate bonds.....	309,879	-	3,181	23,006	21,453	120,135	142,104
Land, buildings and equipment (less accumulated depreciation).....	25,869	-	*57	2,969	*2,311	14,022	6,509
Mortgage loans.....	11,124	-	*15	*591	*829	6,551	3,136
Other investments.....	259,643	-	7,389	21,197	27,886	91,151	112,019
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	28,770	-	-	*1,709	3,055	7,963	16,043
Other assets.....	108,741	-	3,686	27,232	19,035	41,308	17,479
<b>Total liabilities</b> .....	10,510	-	55	337	5,662	2,773	1,683
<b>Net worth</b> .....	2,188,227	-	35,462	180,902	214,891	818,234	938,737
<b>Total revenue</b> .....	269,735	*1,270	5,183	23,440	38,176	98,753	112,914
Contributions, gifts and grants received.....	38,872	*776	1,878	6,231	10,664	10,107	9,217
Interest on savings and temporary cash investments.....	23,839	*136	500	1,987	2,039	8,998	10,179
Dividends and interest from securities.....	120,035	*231	1,958	10,572	13,010	46,224	48,039
Gross rents.....	8,661	*121	*57	542	710	3,582	3,650
Net gain (less loss) from sale of assets.....	39,462	*5	470	3,406	3,883	16,050	15,648
Gross profit (less loss) from business activities.....	14,879	-	-	-	-	-	14,879
Other income.....	23,988	-	319	702	7,871	3,793	11,303
<b>Total expenses</b> .....	192,236	*2,706	4,962	17,633	28,012	65,707	73,217
Contributions, gifts and grants paid.....	153,025	*2,495	4,115	14,348	18,813	53,941	59,312
Compensation of officers.....	13,837	*63	439	1,767	2,739	5,145	3,683
Other salaries and wages.....	2,509	-	*11	*2	*1,955	325	216
Pension plans and employee benefits.....	752	-	*2	-	*712	20	19
Legal fees.....	1,776	*35	36	197	73	825	610
Accounting fees.....	1,502	*2	133	237	283	459	389
Other professional fees.....	3,637	*1	43	261	879	952	1,501
Interest.....	531	-	*3	4	*82	184	258
Taxes.....	5,052	*105	90	514	593	1,934	1,816
Depreciation and depletion.....	944	-	*3	*34	*331	440	137
Occupancy.....	591	-	-	*6	*131	255	199
Travel, conferences and meetings.....	371	-	-	-	*101	43	227
Printing and publications.....	136	-	8	11	89	12	15
Other expenses.....	7,574	*4	79	251	1,231	1,171	4,837
<b>Excess of revenue (less loss) over expenses</b> .....	77,499	*-1,436	220	5,808	10,165	23,046	39,696
Excess of revenue.....	106,760	*212	1,081	9,740	15,561	28,767	51,399
Loss.....	-29,261	*-1,648	-861	-3,933	-5,397	-5,720	-11,703
<b>Total assets (fair market value)</b> .....	2,772,383	-	39,283	211,936	263,647	1,009,619	1,247,898
Cash, total.....	295,552	-	6,531	29,061	27,734	94,201	138,025
Non-interest bearing accounts.....	39,774	-	2,108	5,303	2,688	10,776	18,900
Savings and temporary cash investments.....	255,778	-	4,424	23,758	25,046	83,425	119,125
Accounts receivable, net.....	11,516	-	-	*84	*7,275	225	3,932
Pledges receivable, net.....	42	-	-	-	-	42	-
Grants receivable.....	-	-	-	-	-	-	-
Receivables due from disqualified persons.....	*1,409	-	-	-	*1,409	-	-
Other notes and loans receivable.....	32,727	-	*372	*1,694	*64	6,559	24,037
Inventories.....	281	-	-	-	-	281	-
Prepaid expenses and deferred charges.....	1,474	-	-	*3	*225	1,130	115

Footnotes at end of table.

# Private Foundations and Charitable Trusts, 1990

**Table 4.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets--Continued**

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

Item	Total	Size of fair market value of total assets					
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total assets (continued)</b>							
Investments (non-cash), total.....	2,219,880	-	27,837	147,235	191,414	849,728	1,003,666
Securities, total.....	1,876,538	-	19,355	118,256	156,413	715,615	866,899
U.S. and state government obligations.....	449,006	-	6,162	30,255	43,313	195,918	173,357
Corporate stock.....	1,101,441	-	9,863	63,333	89,439	392,477	546,329
Corporate bonds.....	326,091	-	3,331	24,667	23,661	127,221	147,212
Land, buildings and equipment (less accumulated depreciation).....	52,567	-	*181	4,191	*3,336	23,397	21,462
Mortgage loans.....	10,804	-	*15	*591	*829	6,552	2,816
Other investments.....	279,972	-	8,286	24,197	30,836	104,164	112,489
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	47,254	-	-	*1,451	5,116	11,826	28,861
Other assets.....	162,248	-	4,541	32,407	30,410	45,627	49,263
<b>Total beginning-of-year assets (book value).....</b>	<b>2,114,412</b>	<b>*10,205</b>	<b>35,077</b>	<b>176,357</b>	<b>208,331</b>	<b>779,678</b>	<b>904,765</b>
<b>Investments in securities, beginning of year (book value).....</b>	<b>1,349,797</b>	<b>*1,373</b>	<b>16,501</b>	<b>91,502</b>	<b>128,034</b>	<b>521,277</b>	<b>591,109</b>
U.S. and state government obligations.....	391,794	*568	5,555	30,199	42,128	167,697	145,648
Corporate stock.....	674,689	*806	7,843	39,491	65,810	240,991	319,747
Corporate bonds.....	283,314	-	3,103	21,812	20,097	112,588	125,715

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

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

# Charities and Other Tax-Exempt Organizations, 1989

by Cecelia Hilgert and Paul Arnsberger

The revenue and assets of nonprofit charitable organizations exempt from Federal taxation under Internal Revenue Code section 501(c)(3), excluding private foundations and most religious organizations, showed continued increases for 1989. Total revenue rose by 12 percent to \$398.6 billion, of which the organizations' program service activities provided more than two-thirds (\$272.1 billion) of the total. Total assets also grew, by 12 percent, to \$655.4 billion. There were 133,157 returns filed for 1989, which represented a 7-percent increase from 1988. These statistics are based on data from Form 990, *Return of Organization Exempt from Income Tax*, and Form 990EZ, the short form of the return. This latter form was introduced for 1989 for smaller organizations, those with gross receipts of less than \$100,000 and end-of-year assets less than \$250,000. Data on organizations that are exempt under Code sections 501(c)(4) through (9) are also presented in the second part of this article. For 1989, there were 96,438 returns filed by these organizations, reporting \$101.7 billion of total revenue, and \$126.7 billion of total assets.

## Organizations Exempt Under Section 501(c)(3)

Internal Revenue Code section 501(c) classifies nonprofit organizations into 25 categories, each of which is dealt with in a separate subsection. Some of the organizations may be eligible for tax-deductible donations under section 170 of the Code. Those nonprofit charitable organizations exempt under section 501(c)(3) receive the largest part of tax-deductible donations and services. They are organizations whose purposes are religious, charitable, educational, scientific, or related to public safety testing. Their activities are restricted in that they must further one or more of these exempt purposes. Examples of these organizations include nonprofit hospitals, nonprofit universities and schools, youth organizations, community fundraising campaigns, public charities, and environmental support groups. In addition, the organizations must serve the "public good," as opposed to private interests, and thus may not distribute their net earnings to a private shareholder or individual. They are also restricted from activities that can influence legislation, and they cannot participate in any political campaign on behalf of, or in opposition to, any candidate for political office.

Only 133,157 of the 394,953 active nonprofit charitable organizations exempt under section 501(c)(3) were required to file information returns on Forms 990 or 990EZ for 1989 [1]. The remainder were either religious organi-

zations, which are not required to file; or small organizations with annual gross receipts of less than \$25,000, the filing threshold. Selected data from Form 990EZ are shown separately because the line items on the form are not the same as on the longer Form 990. (Where possible Form 990 data and Form 990EZ data are combined, such as in Figure A.)

Figure A

### Selected Data for Nonprofit Charitable Organizations, Reporting Years 1987-1989

[Money amounts are in billions of dollars]

Item	1987	1988	1989
	(1)	(2)	(3)
Number of returns.....	122,018	124,232	133,157
Total assets.....	529.5	583.6	655.4
Total revenue.....	310.8	354.6	398.6
Program service revenue.....	211.9	239.3	272.1
Contributions, gifts, and grants....	61.7	69.1	77.0
Dues and assessments.....	4.2	4.0	4.7
Other.....	33.0	42.3	44.8
Total expenses.....	288.7	330.8	371.5

NOTES: Nonprofit charitable organizations exclude private foundations and most religious organizations. Detail may not add to totals because of rounding.

The number of returns filed showed a larger increase (7 percent) for 1989 than had been registered for 1988, when there was a 2-percent increase over the previous year [2]. This overall increase for 1989 was evident for both the smallest-size organizations, those with assets of less than \$500,000, and for the largest ones, those with assets of \$10 million or more. Both of these size categories showed a gain of 7 percent in the number of returns filed for 1989 over 1988. Organizations with assets of less than \$500,000 accounted for more than two-thirds of all the returns filed for 1989, while the largest organizations accounted for 5 percent [3].

The total assets held by nonprofit charitable organizations increased by 12 percent for 1989 to \$655.4 billion [3]. This was greater than the 10-percent increase registered in total assets from 1987 to 1988. In constant dollars, assets increased by 34 percent since 1985, which is twice as great an increase as that of the real gross domestic product over the same period. Organizations with asset holdings of \$50 million or more accounted for 70 percent of the assets in 1989 (Figure B). This size class registered a gain of 15 percent in total assets from 1988. For small organizations, with assets of less than \$500,000, total asset holdings increased by 8 percent from their 1988 level. Liabilities of all nonprofit charitable organizations registered \$293.8 billion, up from \$257.6

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# Charities and Other Tax-Exempt Organizations, 1989

**Figure B**

## Nonprofit Charitable Organizations, by Asset Size, Reporting Year 1989

[Money amounts are in millions of dollars]

Asset size	Returns		Total assets		Total revenue	
	Number	Percent	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b> .....	<b>133,157</b>	<b>100.0</b>	<b>655,426</b>	<b>100.0</b>	<b>398,628</b>	<b>100.0</b>
Under \$100,000 <sup>1,2</sup> .....	53,832	40.4	1,781	0.3	6,274	1.6
\$100,000 under \$500,000.....	36,769	27.6	8,915	1.4	14,144	3.6
\$500,000 under \$1,000,000.....	12,549	9.4	8,955	1.4	9,936	2.5
\$1,000,000 under \$10,000,000.....	23,118	17.4	71,243	10.9	54,031	13.6
\$10,000,000 under \$50,000,000.....	4,756	3.6	105,912	16.2	70,461	17.7
\$50,000,000 or more.....	2,133	1.6	458,619	70.0	243,782	61.1

<sup>1</sup>Includes returns with zero assets or assets not reported.

<sup>2</sup>Estimates should be used with caution because of the small number of sample returns on which they are based.

NOTES: Nonprofit charitable organizations exclude private foundations and most religious organizations. Detail may not add to totals because of rounding.

billion for 1988. The balance sheet of a tax-exempt organization does not have an owner's equity section; instead, earnings accrue to a "net worth/fund balance" account. The total fund balance for nonprofit charitable organizations was \$361.6 billion, up from \$329.5 billion for 1988.

In terms of revenue, program service revenue--the fees collected by organizations for the programs operated in support of their tax-exempt purposes--represented more than two-thirds of the total. Contributions, gifts, and grants accounted for another 19 percent of revenue. The largest asset-size class, \$50 million or more, accounted for the largest proportion of total revenue, 61 percent; organizations in this size class reported total revenue of \$243.8 billion, 15 percent more than 1988. Program service revenue was the largest proportion of the total revenue of the larger organizations, those with total assets of \$10 million or more, accounting for about three-quarters of the total reported by these organizations (Figure C). In contrast, contributions, gifts, and grants comprised one-half of the revenue reported by the smaller organizations, those with assets under \$1 million. In constant dollars, program service revenue grew by 41 percent after 1985, and contributions, gifts, and grants, by 20 percent. For the 1988-1989 period, these two items grew by 14 percent and 11 percent, respectively, using current dollars.

### Types of Nonprofit Charitable Organizations

Figures D, E, and F present information on the types of nonprofit charitable organizations exempt under section 501(c)(3) that filed Form 990 or Form 990EZ (short form) for 1989. The information was based on responses to a question on the return forms identifying the reason why the organization was not classified as a private foundation. In contrast to a nonprofit charitable organization, a private

foundation is narrowly supported and controlled, usually by an individual, family, or corporation, as opposed to an organization receiving broad support from a large number of sources within the general public [4].

Hospitals were the leading category of nonprofit charitable organization in terms of assets and revenue. Their assets totaled \$189.7 billion and their revenue, \$179.2 billion, which represented increases of 11 percent and 14 percent, respectively, over 1988. Hospitals accounted for 29 percent of the assets and 45 percent of the revenue totals reported for nonprofit charitable organizations. Nearly all of their revenue, 93 percent, was program service revenue.

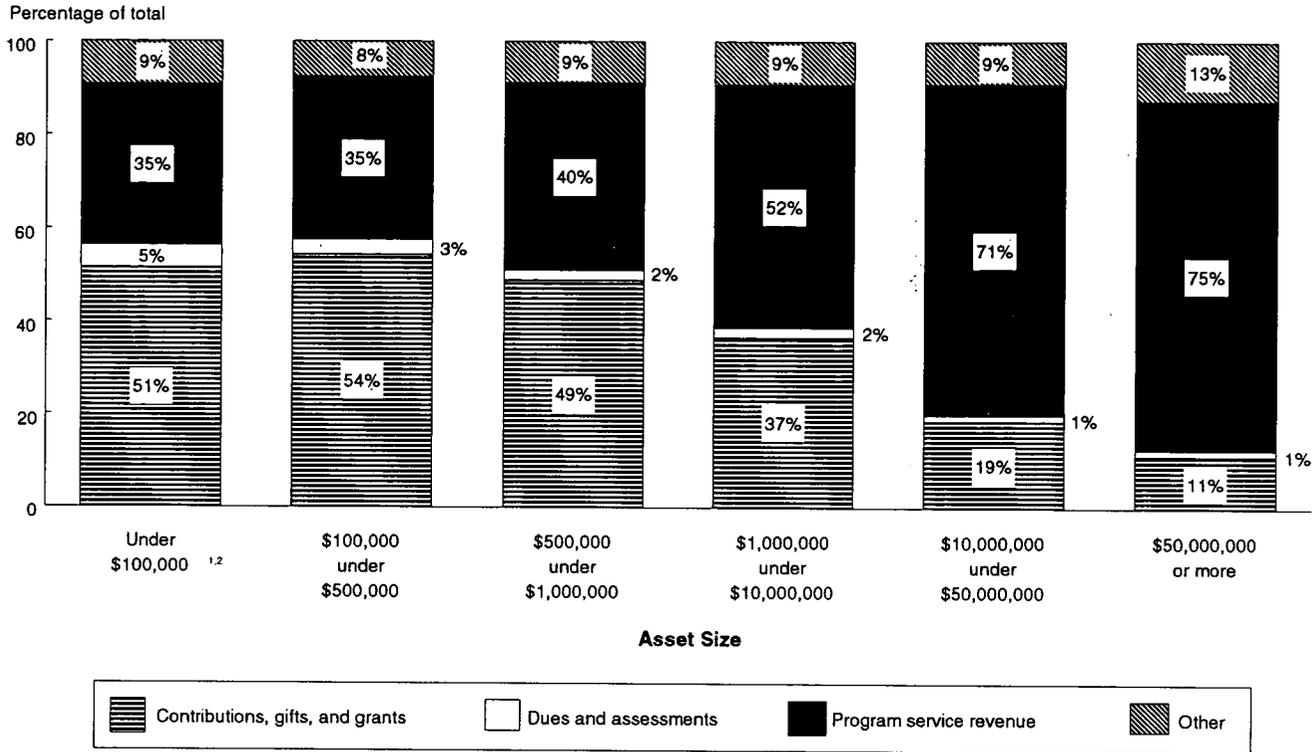
Educational institutions were the second leading type of nonprofit charitable organization in terms of assets, with \$156.3 billion, reporting one-quarter of the total, and third leading type of organization in terms of revenue, with \$69.5 billion, 17 percent of the total. Included in this category were primary and secondary schools (both public and private), colleges and universities, professional and trade schools, and other organizations with educational activities of instruction.

"Publicly-supported organizations" were the third leading type of nonprofit organization in terms of assets, with \$144.2 billion, and second in terms of revenue, with \$107.5 billion, accounting for 22 percent and 27 percent of the respective totals. This category was comprised of organizations which normally receive a substantial part of support from a governmental unit, or from the general public in the form of contributions or revenue from their exempt function services and products (program service revenue). Types of organizations that generally qualify include organizations such as the American Red Cross or United Way and their affiliated agencies; voluntary health agencies such as the American Cancer Society and the

# Charities and Other Tax-Exempt Organizations, 1989

**Figure C**

## Components of Nonprofit Charitable Organization Revenue, by Asset Size, Reporting Year 1989



<sup>1</sup> Includes returns with zero assets or assets not reported.

<sup>2</sup> Estimates should be used with caution because of the small number of sample returns on which they are based.

NOTE: Nonprofit charitable organizations exclude private foundations and most religious organizations.

**Figure D**

## Selected Balance Sheet and Income Statement Items, by Type of Nonprofit Charitable Organization, Reporting Year 1989

[Money amounts are in millions of dollars]

Type of organization	Total assets	Total liabilities	Total revenue	Program service revenue	Total expenses
	(1)	(2)	(3)	(4)	(5)
<b>Total</b> .....	<b>655,426</b>	<b>293,819</b>	<b>398,628</b>	<b>272,135</b>	<b>371,526</b>
Educational institution or school.....	156,334	31,048	69,517	41,916	61,539
Governmental unit.....	1,878	1,651	1,312	605	1,268
Hospital.....	189,672	97,261	179,160	165,843	171,712
Hospital research organization.....	8,727	1,169	1,928	848	1,638
Organization supporting a public college.....	7,495	987	3,688	945	2,801
Organization supporting charitable organizations.....	142,751	97,555	32,513	13,782	28,968
Organization testing for public safety.....	303	39	227	195	193
Publicly-supported organization.....	144,165	62,026	107,500	46,418	100,727
Religious-affiliated organization <sup>1</sup> .....	3,908	1,969	2,455	1,302	2,344
Type not reported.....	194	114	329	281	319

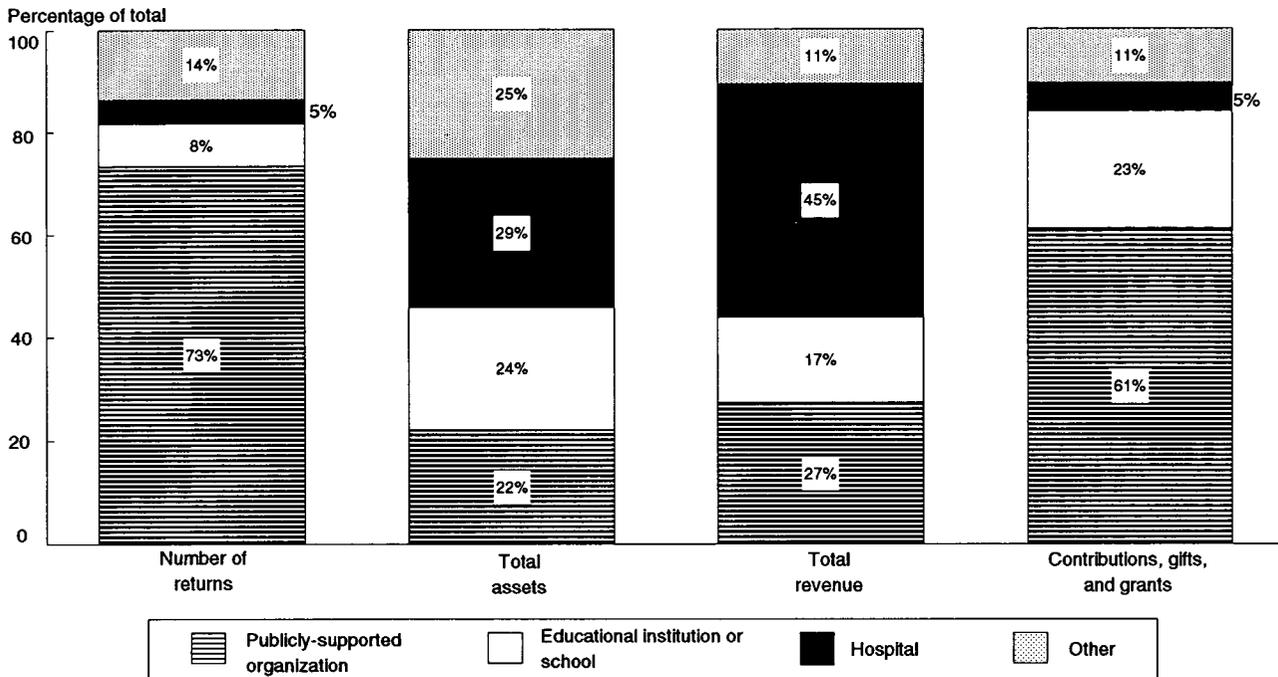
<sup>1</sup>Churches and other religious-affiliated organizations are not required to file a Form 990 or Form 990EZ. Most of the organizations in this category either filed voluntarily or misreported their type of organization. The estimate is, therefore, not inclusive of the majority of religious organizations.

NOTES: Nonprofit charitable organizations exclude private foundations and most religious-affiliated organizations (see footnote 1). Detail may not add to totals because of rounding.

# Charities and Other Tax-Exempt Organizations, 1989

**Figure E**

**Selected Financial Data, by Selected Type of Nonprofit Charitable Organization, Reporting Year 1989**



NOTE: Nonprofit charitable organizations exclude private foundations and most religious organizations.

**Figure F**

**Contributions Received, by Selected Type of Nonprofit Charitable Organization, Reporting Year 1989**

[Money amounts are in millions of dollars]

Type of organization	Contributions, gifts, and grants	
	Amount	Percent
<b>Total</b> .....	<b>76,973</b>	<b>100.0</b>
Educational institution or school.....	17,929	23.3
Hospital.....	4,069	5.3
Publicly-supported organization.....	47,338	61.5
Other.....	7,637	9.9

NOTES: Nonprofit charitable organizations exclude private foundations and most religious organizations. Detail may not add to totals because of rounding.

American Heart Association; organizations engaged in educational or sports activities for youth; performing arts societies (such as ballet companies, symphony orchestras); nursing homes or homes for the aged that provide

health care or domiciliary services to residents in the facilities; membership organizations that produce magazines and other educational material for their members; organizations that provide various forms of counseling; and other organizations providing a direct service to the general public. While program service revenue accounted for 60 percent of the revenue of educational institutions, it was less than one-half of the total revenue of publicly-supported organizations. Instead, these organizations received nearly two-thirds of their 1989 total through contributions, gifts, and grants.

A fourth type of nonprofit charitable organization, one that supports other charitable organizations, reported \$142.8 billion in assets and \$32.5 billion in revenue. When this type of organization is combined with the three mentioned above, the results represented 97 percent of both total assets and total revenue of all nonprofit charitable organizations for 1989. The other types of organizations, as shown in Figure D, represented the remaining 3 percent [5].

# Charities and Other Tax-Exempt Organizations, 1989

## Financial Characteristics of Nonprofit Charitable Organizations Filing Form 990

There were 114,724 organizations that filed the long Form 990 for 1989 (Table 1). While those with assets of \$50 million or more represented fewer than 2 percent of the number of these returns, they accounted for 70 percent of the assets of nonprofit charitable organizations and 61 percent of the revenue. Organizations with assets of \$1 million or more accounted for one-quarter of the number of returns, and they reported 97 percent of the assets and 90 percent of revenue. Figures G and H show revenue and asset data for the ten largest 501(c)(3) organizations.

**Figure G**

### Top Ten Nonprofit Charitable Organizations Ranked by Total Revenue, Reporting Year 1989

[Money amounts are in millions of dollars]

Name	Total revenue
1. Teachers Insurance and Annuity Association of America.....	9,435
2. College Retirement Equities Fund.....	6,670
3. Kaiser Foundation Health Plan.....	5,346
4. Kaiser Foundation Hospitals.....	2,885
5. New York City Health and Hospitals Corporation.....	2,782
6. American National Red Cross.....	1,464
7. Harvard College.....	1,311
8. Sisters of Mercy Health Corporation.....	1,293
9. University of Pennsylvania.....	1,290
10. California Institute of Technology.....	1,274

NOTE: Nonprofit charitable organizations exclude private foundations and most religious organizations.

### Assets and Liabilities

As reported on the Form 990, assets of nonprofit charitable organizations totaled \$654.6 billion for 1989. The

**Figure H**

### Top Ten Nonprofit Charitable Organizations Ranked by Total Assets, Reporting Year 1989

[Money amounts are in millions of dollars]

Name	Total assets
1. Teachers Insurance and Annuity Association of America.....	44,374
2. College Retirement Equities Fund.....	37,864
3. Harvard College.....	6,853
4. Howard Hughes Medical Institute.....	6,512
5. Common Fund for Nonprofit Organizations.....	6,204
6. Stanford University.....	4,316
7. Yale University.....	4,285
8. Kaiser Foundation Hospitals.....	3,312
9. Princeton University.....	3,112
10. Shriners' Hospitals for Crippled Children.....	2,923

NOTE: Nonprofit charitable organizations exclude private foundations and most religious organizations.

major components of assets included investments in securities, \$203.2 billion; and land, buildings, and equipment, \$199.0 billion, representing 31 percent and 30 percent, respectively, of total assets. Investments in securities registered a gain of 16 percent for 1989. Liabilities were \$293.7 for 1989, with mortgages and other notes payable accounting for 41 percent.

While investments in securities was the largest asset holding for all organizations filing Form 990, representing nearly one-third of the total, the types of asset holdings varied by the size of nonprofit charitable organization. For the smaller organizations, with assets of less than \$500,000, cash and savings was the largest single component, accounting for 42 percent of their total assets. In

# Charities and Other Tax-Exempt Organizations, 1989

contrast, for the organizations with assets of between \$1 million and \$10 million, land, buildings, and equipment was the largest asset type, 38 percent of the total. For the larger organizations, those with assets of \$10 million or more, investments in securities represented the largest single type of holding, accounting for one-third of the assets of these organizations.

## Revenue and Expenses

Program service revenue, which is generated through programs operated by nonprofit charitable organizations in support of their tax-exempt purposes, provided the largest source of revenue for these organizations. Program service revenue for 1989 was \$271.9 billion, or 68 percent of total revenue. Some examples of program service revenue include tuition and fees at educational institutions, hospital patient care charges (including Medicare and Medicaid payments), admission fees collected by museums or community performing arts groups, YMCA/YWCA activity fees, and payments received for insurance and retirement coverage by selected pension and annuity funds. Program service revenue accounted for three-quarters of the total revenue reported by organizations with asset holdings of \$10 million or more, while for organizations with asset holdings of between \$1 million and \$10 million, it was one-half of total revenue.

Nonprofit charitable organizations reported \$76.5 billion in contributions, gifts, and grants, representing 19 percent of the total revenue for long form filers (Figure I).

The total was comprised of \$35.8 billion received in direct public support, \$33.7 billion from Government grants, and \$7.0 billion from indirect public support. This last category includes revenue received through solicitation campaigns conducted by federated fundraising agencies. Contributions, gifts, and grants as a percentage of total revenue varied depending on the size of the organization. Organizations with assets of \$10 million or more depended on this source for just 13 percent of their total revenue. In contrast, organizations with assets of less than \$1 million depended on contributions, gifts, and grants for 52 percent of their total revenue.

Nonprofit charitable organizations report their detailed expenses on Form 990 by "functional categories" (salaries and wages, pension plan contributions and other employee benefits, legal fees, supplies, and the like) which are then combined into broad categories on Form 990: program services, management and general, and fundraising (Table 2). Total expenses reported were \$370.7 billion for 1989. For all organizations, those expenses relating to specific program services accounted for 85 percent of the total, with salaries and wages the largest single component. Management and general expenses, which supported the overall organization rather than specific programs, amounted to \$50.0 billion. Fundraising expenses and payments to affiliates together comprised only 1 percent of total expenses. (Payments to affiliates are payments to organizations closely related to the reporting organizations, such as support and dues payments by local chapters to State and national agencies.)

**Figure I**

## Contributions Received by Nonprofit Charitable Organizations Filing Form 990, by Asset Size, Reporting Year 1989

[Money amounts are in millions of dollars]

Asset size	Total contributions, gifts, and grants		Contributions received through direct support		Contributions received through indirect support		Contributions received through Government grants	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total</b> .....	<b>76,510</b>	<b>100.0</b>	<b>35,828</b>	<b>100.0</b>	<b>7,009</b>	<b>100.0</b>	<b>33,681</b>	<b>100.0</b>
Under \$500,000 <sup>1,2</sup> .....	10,434	13.6	4,140	11.6	864	12.3	5,430	16.1
\$500,000 under \$1,000,000.....	4,849	6.3	2,590	7.2	440	6.3	1,819	5.4
\$1,000,000 under \$10,000,000.....	19,732	25.8	8,399	23.4	1,767	25.2	9,566	28.4
\$10,000,000 under \$50,000,000.....	13,054	17.1	7,816	21.8	1,821	26.0	3,418	10.1
\$50,000,000 or more.....	28,440	37.2	12,882	36.0	2,117	30.2	13,449	40.0

<sup>1</sup>Includes returns with zero assets or assets not reported.

<sup>2</sup>Estimates should be used with caution because of the small number of sample returns on which they are based.

NOTES: Nonprofit charitable organizations exclude private foundations and most religious organizations. Detail may not add to totals because of rounding.

# Charities and Other Tax-Exempt Organizations, 1989

## Financial Characteristics of Nonprofit Charitable Organizations Filing Form 990EZ

In 1989, Form 990EZ was introduced for tax-exempt organizations with gross receipts of less than \$100,000 and assets of less than \$250,000 for the year [6]. (Table 5 presents detailed data on Form 990EZ filers.) There were 18,433 Form 990EZ returns filed by nonprofit charitable organizations (Figure J). They accounted for 14 percent of the total number of returns filed by nonprofit charitable organizations that were exempt under Code section 501(c)(3). Most of the Form 990EZ filers, 86 percent, were organizations with assets of less than \$100,000; the remainder had assets of \$100,000 to \$250,000.

Organizations filing Form 990EZ reported total revenue of \$926 million, one-half of which was derived from contributions, gifts, and grants. Program service revenue amounted to \$232 million, one-quarter of the total. Expenses were \$829 million. Of the asset total of \$794 million, nearly two-thirds was in cash, savings, and investments. Total revenue and assets reported on Form 990EZ represented only 0.2 percent and 0.1 percent, respectively, of the totals for all nonprofit charitable organizations exempt under Code section 501(c)(3). Three-quarters of Form 990EZ filers were publicly-supported organizations.

## Organizations Exempt under Sections 501(c)(4) through (9)

The statistics presented in this section are based on the 96,438 Forms 990 and 990EZ filed by organizations tax-exempt under Internal Revenue Code sections 501(c)(4) through (9). Figure K provides general descriptions of the organizations included under these sections. Unlike the nonprofit charitable organizations tax-exempt under Code section 501(c)(3), most of these organizations are not eligible for tax-deductible contributions. Financial data for organizations covered by these six Code sections are presented in Tables 3, 4, and 5. Figure L compares selected data for 1988 with 1989. Most organizations exempt under these sections reported modest increases for most items for 1989, although some showed more significant changes. Business leagues, chambers of commerce, and real estate boards, all exempt under section 501(c)(6), for example, reported a 23.4 percent increase in the total liabilities recorded on their balance sheets.

For 1989, business leagues, chambers of commerce, and real estate boards filed the largest number of returns (21,545) of organizations exempt under sections 501(c)(4) through (9). Civic leagues and social welfare organizations (section 501(c)(4)), and labor, agricultural, and horticultural organizations (section 501(c)(5)) were close behind (Figure L). The number of returns filed by

**Figure J**

### Selected Balance Sheet and Income Statement Items for Nonprofit Charitable Organizations Filing Form 990EZ, Reporting Year 1989

[Money amounts are in thousands of dollars]

Item	Total	Size of total assets	
		Under \$100,000 <sup>1</sup>	\$100,000 under \$250,000
	(1)	(2)	(3)
Number of returns.....	18,433	15,901	2,532
Total assets.....	793,740	416,601	377,139
Cash, savings, and investments.....	501,502	296,365	205,138
Land and buildings (net).....	198,728	68,656	130,072
Total liabilities.....	94,017	59,635	34,381
Total fund balance/net worth.....	699,770	357,006	342,765
Total revenue.....	926,388	774,062	152,326
Contributions, gifts, and grants.....	463,432	383,676	79,756
Program service revenue.....	232,364	208,657	23,707
Dues and assessments.....	83,557	74,489	9,068
Other.....	65,440	54,259	11,181
Total expenses.....	829,206	722,217	106,989

<sup>1</sup>Includes returns with zero assets or assets not reported.

NOTE: Nonprofit charitable organizations do not include private foundations and most religious organizations. Detail may not add to totals because of rounding.

# Charities and Other Tax-Exempt Organizations, 1989

**Figure K**

## Selected Types of Tax-Exempt Organizations, by Internal Revenue Code Section

Internal Revenue Code section	Description of organization	Type of activities	Examples of organizations tax-exempt under Code section
	(1)	(2)	(3)
501(c)(4)	Civic leagues, social welfare organizations, and local associations of employees	Promotion of community welfare, charitable, educational and recreational activities	Lions Clubs, Rotary Clubs, national rural electric cooperatives, and volunteer fire departments
501(c)(5)	Labor, agricultural, and horticultural organizations	Educational or instructive, the purpose being to improve conditions of work, and to improve products and efficiency	Major League Baseball Players Association, International Ladies Garment Workers Union, and United Auto Workers
501(c)(6)	Business leagues, chambers of commerce, and real estate boards	Improvement of business conditions of one or more lines of business	National Football League, Academy of Motion Picture Arts and Sciences, and American Bar Association
501(c)(7)	Social and recreational clubs	Pleasure, recreational, and social activities	New York City Yacht Club, Metropolitan Club, and sorority and fraternity chapters
501(c)(8)	Fraternal beneficiary societies and associations	Lodge providing for payment of life, sickness, accident or other benefits to members	Independent Order of Odd Fellows, B'nai B'rith, Loyal Order of Moose, and Polish Union of America
501(c)(9)	Voluntary employees' beneficiary associations (including Federal employees' voluntary beneficiary associations formerly covered under section 501(c)(10))	Provides for payment of life, sickness, accident or other benefits to members	IBM Medical and Dental Plan Trust, U.S. Steel and Carnegie Pension Plan, and National Education Association Members Insurance Trust

**Figure L**

## Selected Balance Sheet and Income Statement Items of Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, Reporting Years 1988 and 1989

[Money amounts are in millions of dollars]

Internal Revenue Code section	Number of returns		Total assets		Total liabilities		Total revenue		Total expenses	
	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
501(c)(4).....	19,279	21,223	27,434	33,029	18,696	24,235	16,134	16,546	14,984	15,756
501(c)(5).....	20,697	20,659	12,390	13,243	1,887	2,189	11,015	12,024	10,297	11,649
501(c)(6).....	19,875	21,545	15,177	17,270	8,207	10,129	14,247	15,921	13,320	15,962
501(c)(7).....	14,488	14,877	7,834	8,621	2,426	2,717	5,268	5,634	5,027	5,384
501(c)(8).....	8,129	8,543	24,588	25,162	19,699	20,109	6,396	6,310	6,174	5,935
501(c)(9).....	8,889	9,591	28,254	29,378	10,195	10,428	40,399	45,304	40,585	44,274

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

## Charities and Other Tax-Exempt Organizations, 1989

organizations exempt under sections 501(c)(4) and 501(c)(6) increased by 10.1 and 8.4 percent, respectively, from 1988, while organizations exempt under section 501(c)(5) showed a slight decrease (0.2 percent).

With the exception of voluntary employees' beneficiary associations (section 501(c)(9)), more than 80 percent of the returns filed under each Code section represented organizations with assets of less than \$500,000, while less than 0.5 percent represented organizations with assets of \$50 million or more (Figure M). Thus, in comparison to nonprofit charitable organizations, organizations filing under these six sections tended to be smaller (two-thirds of the total returns filed by nonprofit charitable organizations reported assets less than \$500,000). Voluntary employees' beneficiary associations reporting asset holdings of less than \$500,000 represented just over 60 percent of all returns filed by these organizations. Those with assets of \$10 million or more filed over 5 percent of the returns under section 501(c)(9), a greater proportion than the number filed under any of the other five Code sections.

### Revenue and Expenses

In terms of revenue, voluntary employees' beneficiary associations (section 501(c)(9)) reported considerably more revenue for 1989 than that reported by any of those filing under the other five Code sections (Figure N). The

\$45.3 billion reported by these associations represented a 12.1 percent increase from 1988 and was nearly triple the next highest amount for the six Code sections. Most of the revenue (over 82 percent) for these organizations was in the form of program service revenue, which in this case took the form of payments for health and welfare benefits coverage. Voluntary employees' beneficiary associations also reported by far the highest level of expenses, \$44.3 billion (of which over 84 percent was for health and welfare benefits paid to their members).

Civic leagues and social welfare organizations (section 501(c)(4)), which ranked second in terms of total revenue with \$16.5 billion, also received the majority (\$10.8 billion) of their revenue from program services, as did fraternal beneficiary associations (section 501(c)(8)), though on a much smaller scale (\$5.0 billion out of the \$6.3 billion). For 1989, this latter group reported decreases in total revenue and total assets of 1.3 percent and 3.9 percent, respectively.

Membership dues and assessments were the principal source of revenue for three types of organizations: labor, agricultural, and horticultural organizations (section 501(c)(5)--\$7.6 billion); business leagues, chambers of commerce, and real estate boards (section 501(c)(6)--\$6.8 billion); and social and recreational clubs (section 501(c)(7)--\$3.2 billion). For each of these categories, total expenses grew at a rate higher than that for total

**Figure M**

### Returns Filed by Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, by Asset Size, Reporting Year 1989

Asset size	Organizations tax-exempt under Internal Revenue Code section--					
	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns</b>						
<b>Total</b> .....	<b>21,223</b>	<b>20,659</b>	<b>21,545</b>	<b>14,877</b>	<b>8,543</b>	<b>9,591</b>
Under \$100,000 <sup>1</sup> .....	12,838	11,525	12,172	7,902	2,820	3,416
\$100,000 under \$500,000.....	5,148	6,356	5,954	3,965	4,109	2,388
\$500,000 under \$1,000,000.....	1,250	1,343	1,562	1,043	1,009	1,034
\$1,000,000 under \$10,000,000.....	1,697	1,291	1,657	1,896	516	2,236
\$10,000,000 under \$50,000,000.....	216	113	168	71	53	434
\$50,000,000 or more.....	75	31	32	--	35	82
<b>Percent</b>						
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Under \$100,000 <sup>1</sup> .....	60.5	55.8	56.5	53.1	33.0	35.6
\$100,000 under \$500,000.....	24.3	30.8	27.6	26.7	48.1	24.9
\$500,000 under \$1,000,000.....	5.9	6.5	7.2	7.0	11.8	10.8
\$1,000,000 under \$10,000,000.....	8.0	6.2	7.7	12.7	6.0	23.3
\$10,000,000 under \$50,000,000.....	1.0	0.5	0.8	0.5	0.6	4.5
\$50,000,000 or more.....	0.4	0.2	0.1	--	0.4	0.9

<sup>1</sup> Includes returns with zero assets or assets not reported.

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

# Charities and Other Tax-Exempt Organizations, 1989

**Figure N**

## Components of Revenue of Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, Reporting Year 1989

(Money amounts are in millions of dollars)

Internal Revenue Code section	Total revenue	Sources of revenue				
		Contributions, gifts, and grants	Program service revenue	Dues and assessments	Income from investments <sup>1</sup>	Other
	(1)	(2)	(3)	(4)	(5)	(6)
501(c)(4).....	16,546	1,506	10,808	1,920	1,429	884
501(c)(5).....	12,024	317	2,469	7,564	784	890
501(c)(6).....	15,921	963	6,507	6,776	893	783
501(c)(7).....	5,634	36	996	3,222	171	1,209
501(c)(8).....	6,310	84	4,996	455	311	464
501(c)(9).....	45,304	2,543	37,411	2,308	1,841	1,201

<sup>1</sup>Includes: "Income from savings and temporary cash investments," "Dividends and interest from securities," and "Gross rents" from the Form 990; "Investment income" from the Form 990EZ.  
NOTE: Detail may not add to totals because of rounding.

revenue, from 1988 to 1989. Organizations exempt under Code section 501(c)(6), for example, reported a 19.8 percent increase in total expenses to \$16.0 billion for 1989, slightly more than the \$15.9 billion generated from an 11.7 percent increase in total revenue. Revenue of organizations with assets of less than \$500,000 under each of these Code sections accounted for greater percentages of total revenue than the revenue of nonprofit charitable organizations (section 501(c)(3)) of a similar size. These percentages ranged from 10.5 percent for civic leagues and social welfare organizations (section 501(c)(4)) to 24.9 percent for labor, agricultural, and horticultural organizations (section 501(c)(5)) (Figure O). Fraternal beneficiary associations (section 501(c)(8)) were the only organizations covered under these code sections for which organizations with assets \$50 million or more predominated in terms of total revenue (75.4 percent).

### Assets and Liabilities

Figure P shows that for 1989 civic leagues and social welfare organizations (section 501(c)(4)) reported the largest asset holdings, \$33.0 billion; those with assets of \$10 million or more accounted for 78.4 percent of the total assets reported by these organizations. Voluntary employees' beneficiary associations (section 501(c)(9)) and fraternal beneficiary associations (section 501(c)(8)) ranked second and third with \$29.4 billion and \$25.2 billion in assets, respectively. (Organizations with assets of \$10 million or more accounted for 87.7 percent of the total assets held by fraternal beneficiary associations; 70.2 percent, for those held by voluntary employees' beneficiary associations.) While most types of organizations exempt under these six Code sections reported

modest increases in total assets (6.9 percent), business leagues, chambers of commerce and real estate boards (section 501(c)(6)), and social and recreational clubs (section 501(c)(7)) showed more significant increases of 13.8 percent and 10.0 percent, respectively.

The types of assets held by the various organizations varied considerably by Code section (Figure Q). (Detailed data on the components of assets are limited to those organizations that filed the longer Form 990; as mentioned earlier, only condensed balance sheets were filed for the smaller-size organizations that filed the shorter Form 990EZ.) Investments in securities was the largest single component of assets reported by labor, agricultural, and horticultural organizations (section 501(c)(5)); fraternal beneficiary associations (section 501(c)(8)); and voluntary employees' beneficiary associations (section 501(c)(9)). On the other hand, most of the assets for social and recreational clubs (section 501(c)(7)) were in the form of land, buildings, and equipment, while only 2 percent were in securities.

Shown in Figure R are the net worth/fund balance totals for organizations under the six Code sections. This account varied as a percentage of total assets depending on the type of organization, and ranged from 20.1 percent for fraternal beneficiary associations (section 501(c)(8)) to 83.5 percent for labor, agricultural, and horticultural organizations (section 501(c)(5)).

### Sections 501(c)(4)-(9) Organizations Filing Form 990EZ

As mentioned above, the Form 990EZ was introduced in 1989 for organizations exempt under Internal Revenue Code section 501(c) with annual gross receipts of less

# Charities and Other Tax-Exempt Organizations, 1989

**Figure O**

## Total Revenue of Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, by Asset Size, Reporting Year 1989

[Money amounts are in millions of dollars]

Asset size	Organizations tax-exempt under Internal Revenue Code section--					
	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)
	Amount					
<b>Total</b> .....	<b>16,546</b>	<b>12,024</b>	<b>15,921</b>	<b>5,634</b>	<b>6,310</b>	<b>45,304</b>
Under \$100,000 <sup>1</sup> .....	896	990	1,098	594	221	3,600
\$100,000 under \$500,000.....	839	2,004	2,043	644	550	2,752
\$500,000 under \$1,000,000.....	524	1,065	1,344	509	274	1,795
\$1,000,000 under \$10,000,000.....	2,835	3,119	4,539	3,498	320	13,194
\$10,000,000 under \$50,000,000.....	4,848	1,687	3,048	391	191	11,172
\$50,000,000 or more.....	6,604	3,160	3,850	-	4,756	12,792
	Percent					
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Under \$100,000 <sup>1</sup> .....	5.4	8.2	6.9	10.5	3.5	7.9
\$100,000 under \$500,000.....	5.1	16.7	12.8	11.4	8.7	6.1
\$500,000 under \$1,000,000.....	3.2	8.9	8.4	9.0	4.3	4.0
\$1,000,000 under \$10,000,000.....	17.1	25.9	28.5	62.1	5.1	29.1
\$10,000,000 under \$50,000,000.....	29.3	14.0	19.1	6.9	3.0	24.7
\$50,000,000 or more.....	39.9	26.3	24.2	-	75.4	28.2

<sup>1</sup> Includes returns with zero assets or assets not reported.

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

**Figure P**

## Total Assets of Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, by Asset Size, Reporting Year 1989

[Money amounts are in millions of dollars]

Asset size	Organizations tax-exempt under Internal Revenue Code section--					
	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)
	Amount					
<b>Total</b> .....	<b>33,029</b>	<b>13,243</b>	<b>17,270</b>	<b>8,621</b>	<b>25,162</b>	<b>29,378</b>
Under \$100,000 <sup>1</sup> .....	395	459	469	253	126	96
\$100,000 under \$500,000.....	1,267	1,381	1,381	1,035	1,035	577
\$500,000 under \$1,000,000.....	881	954	1,104	750	713	751
\$1,000,000 under \$10,000,000.....	4,593	3,153	4,451	5,518	1,212	7,328
\$10,000,000 under \$50,000,000.....	4,850	2,310	3,238	1,064	1,037	8,713
\$50,000,000 or more.....	21,045	4,986	6,627	-	21,038	11,912
	Percent					
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Under \$100,000 <sup>1</sup> .....	1.2	3.5	2.7	2.9	0.5	0.3
\$100,000 under \$500,000.....	3.8	10.4	8.0	12.0	4.1	2.0
\$500,000 under \$1,000,000.....	2.7	7.2	6.4	8.7	2.8	2.6
\$1,000,000 under \$10,000,000.....	13.9	23.8	25.8	64.0	4.8	24.9
\$10,000,000 under \$50,000,000.....	14.7	17.4	18.7	12.3	4.1	29.7
\$50,000,000 or more.....	63.7	37.7	38.4	-	83.6	40.5

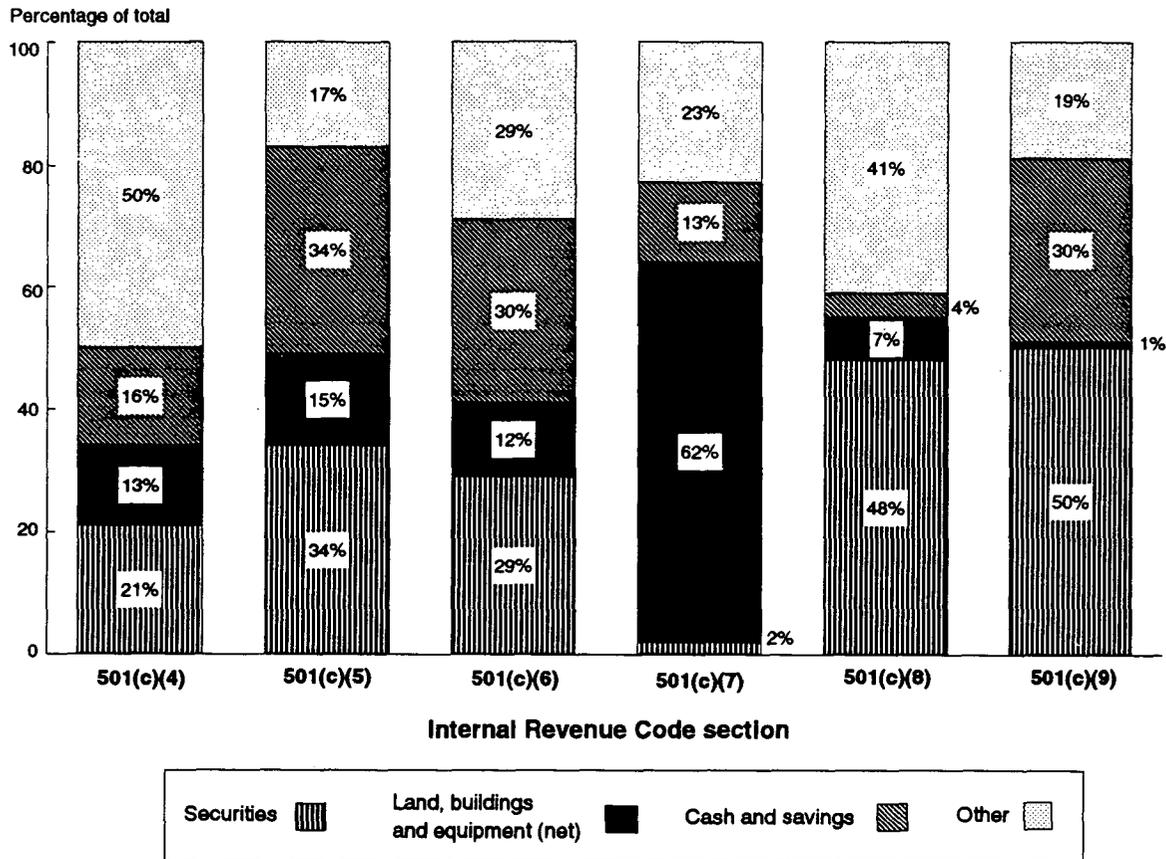
<sup>1</sup> Includes returns with zero assets or assets not reported.

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

# Charities and Other Tax-Exempt Organizations, 1989

**Figure Q**

**Components of Total Assets, by Selected Internal Revenue Code Section, Reporting Year 1989**



**Figure R**

**Selected Balance Sheet Data for Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, Reporting Year 1989**

[Money amounts are in millions of dollars]

Internal Revenue Code section	Total assets	Net worth/fund balance	Percentage of assets
	(1)	(2)	(3)
501(c)(4).....	33,029	8,794	26.6
501(c)(5).....	13,243	11,054	83.5
501(c)(6).....	17,270	7,142	41.4
501(c)(7).....	8,621	5,903	68.5
501(c)(8).....	25,162	5,053	20.1
501(c)(9).....	29,378	18,950	64.5

than \$100,000 and assets under \$250,000. Use of the new form varied significantly among the types of organizations. There were 17,652 Forms 990EZ filed for 1989 by organizations tax-exempt under sections 501(c)(4)-(9). Figure S shows that 5,049 Forms 990EZ were filed by civic leagues and social welfare organizations (section 501(c)(4)), representing 23.8 percent of their total returns. On the other hand, voluntary employees' beneficiary associations (section 501(c)(9)) filed only 481 Forms 990EZ, 5.0 percent of the total. Cash, savings, and investments was the principal asset account reported by the Form 990EZ filers, except for social and recreational clubs (section 501(c)(7)) which reported 57.9 percent of their assets in the form of land and buildings. Fraternal

**Figure 5**

**Types of Returns Filed by Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, Reporting Year 1989**

Internal Revenue Code section	Number of returns		Forms 990EZ as a percentage of total
	Total	Form 990EZ	
	(1)	(2)	(3)
501(c)(4).....	21,223	5,049	23.8
501(c)(5).....	20,659	4,776	23.1
501(c)(6).....	21,545	3,643	16.9
501(c)(7).....	14,877	2,379	16.0
501(c)(8).....	8,543	1,324	15.5
501(c)(9).....	9,591	481	5.0

beneficiary organizations (section 501(c)(8)) and voluntary employees' beneficiary organizations (section 501(c)(9)) filing Form 990EZ reported program service revenue as the primary source of income. Organizations tax-exempt under the other four Code sections that filed the shorter form ranked membership dues and assessments as the top source of revenue. (Table 5 presents detailed data on Form 990EZ filers.)

**Summary**

For 1989, nonprofit charitable organizations tax-exempt under section 501(c)(3) continued to report increased growth. Revenue increased to \$398.6 billion, up from \$354.6 billion for 1988, a gain of 12 percent; assets were \$655.4 billion, up from \$583.6 billion for 1988, also an increase of 12 percent. Hospitals as a group led all other types of organizations in both revenues and assets. The number of returns filed by nonprofit charitable organizations was 133,157, which included both the longer Form 990 (114,724) and the shorter Form 990EZ (18,433). This latter form was introduced for organizations with gross receipts of less than \$100,000 and assets of less than \$250,000.

Program service revenue, the fees received for the programs conducted in support of the purposes for which the tax exemptions under section 501(c)(3) were granted, was \$272.1 billion, or two-thirds of the revenue for 1989. Contributions increased to \$77.0 billion from \$69.1 billion. This source of revenue accounted for more than one-half of the revenue for organizations with asset holdings of less than \$1 million, but for a much smaller share for larger organizations. Expenses continued to rise, to \$371.5 billion, of which 85 percent was in support of the organizations' program services.

Organizations exempt under Internal Revenue Code sections 501(c)(4) through (9) are diverse in both their function and financial characteristics. Three types of organizations exempt under these sections, business leagues, chambers of commerce, and real estate boards (section 501(c)(6)); civic leagues and social welfare organizations (section 501(c)(4)); and labor, agricultural, and horticultural organizations (section 501(c)(5)), each filed over 20,000 Forms 990 and 990EZ. In terms of total assets, civic leagues and social welfare organizations (section 501(c)(4)) reported the most, followed by voluntary employees' beneficiary associations (section 501(c)(9)) and fraternal beneficiary associations (section 501(c)(8)). For each of the six Code sections, smaller organizations (assets less than \$500,000) accounted for a greater share of total assets than similar sized nonprofit charitable organizations exempt under section 501(c)(3).

Civic leagues and social welfare organizations (section 501(c)(4)); fraternal beneficiary associations (section 501(c)(8)); and voluntary employees' beneficiary associations (section 501(c)(9)) reported program service revenue as their primary source of revenue. Labor, agricultural, and horticultural organizations (section 501(c)(5)); business leagues, chambers of commerce and real estate boards (section 501(c)(6)); and social and recreational clubs (section 501(c)(7)), on the other hand, each reported membership dues and assessments as their principal source of revenue.

**Data Sources and Limitations**

The statistics in this article are based on a sample of the 1989 Form 990, *Return of Organization Exempt from Income Tax*, and Form 990EZ, the short form. Organizations used the 1989 Form 990 when their accounting periods ended during the time period, December 31, 1989, through November 30, 1990. The sample did not include private foundations, which were required to file on a separate return form. The sample included only those returns with receipts of more than \$25,000, the filing threshold. The sample design was split into two parts: the first included returns of organizations exempt under section 501(c)(3), and the second part included organizations exempt under sections 501(c)(4) through (9). Returns of organizations exempt under other sections were not included in the study.

Each part of the sample was classified into sample strata based on size of total assets, with each stratum sampled at a different rate. For section 501(c)(3) organizations, a sample of 11,401 returns was selected from a

## Charities and Other Tax-Exempt Organizations, 1989

population of 135,472. All returns with assets of \$10 million or more were included. Lower sampling rates were used in the smaller asset classes. For organizations filing under sections 501(c)(4) through (9), a sample of 10,800 returns was selected from a population of 97,301. Sampling rates ranged from 2.35 percent to 100 percent.

The data presented were obtained from returns as originally filed. In most cases, changes made to the original return as a result of either administrative processing or a taxpayer amendment were not incorporated into the data base. A discussion of the reliability of estimates based on samples and methods for evaluating both the magnitude of sampling and nonsampling error and the precision of sample estimates can be found in the general Appendix in this issue.

### Notes and References

- [1] Data presented in this article are from 1989 Forms 990 and 990EZ. Organizations used the 1989 Form 990 when their accounting periods ended during the time period, of December 31, 1989, through November 30, 1990. The total number of nonprofit charitable organizations, including those not required to file Form 990 or Form 990EZ, was obtained from the Internal Revenue Service Exempt Organizations Business Master File, as reported in *Monthly Exempt Organizations Statistical Summary*, and does not include private foundations filing Form 990-PF.
- [2] Data for previous years were published in Internal Revenue Service, *Statistics of Income, Compendium of Studies of Tax-Exempt Organizations, 1974-1987*, and *Compendium of Studies of Tax-Exempt Organizations, 1986-1992, Volume 2*. See also Hilgert, Cecelia and Arnsberger, Paul, "Charities and Other

Tax-Exempt Organizations, 1988," *Statistics of Income Bulletin*, Summer 1992, Volume 12, Number 1, pp. 60-78; Hilgert, Cecelia and Mahler, Susan J., "Nonprofit Charitable Organizations, 1986 and 1987," *Statistics of Income Bulletin*, Fall 1991, Volume 11, Number 2, pp. 63-76; Hilgert, Cecelia and Mahler, Susan J. "Nonprofit Charitable Organizations," *Statistics of Income Bulletin*, Fall 1989, Volume 9, Number 2, pp. 53-65; Hilgert, Cecelia, "Nonprofit Charitable Organizations, 1983," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 31-42; and Heuchan, Laura, "Nonprofit Charitable Organizations, 1982," *Statistics of Income Bulletin*, Winter 1985-86, Volume 5, Number 3, pp. 21-40.

- [3] Unless otherwise indicated, dollar amounts and percentages were not adjusted for inflation. Inflation-adjusted real values cited in this article (such as "constant dollars") were calculated using the implicit price deflator for the gross domestic product contained in the Council of Economic Advisors, *Economic Report of the President, 1993*, Table B-3.
- [4] For information on private foundations which file Form 990-PF, *Return of Private Foundation*, see Meckstroth, Alicia, "Private Foundations and Charitable Trusts, 1990," in this issue of the *Statistics of Income Bulletin*.
- [5] Some data in this section are from previously unpublished Statistics of Income tabulations.
- [6] The organization's gross receipts are the total amount it received from all sources during its annual accounting period, without subtracting any costs or expenses.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 1.—Form 990 Returns of Nonprofit Charitable Section 501(c)(3) Organizations: Selected Income Statement and Balance Sheet Items, by Size of Total Assets**

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

Item	Total	Size of total assets					
		Under \$100,000 <sup>1,2</sup>	\$100,000 under \$500,000 <sup>2</sup>	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns.....	114,724	37,932	34,237	12,549	23,118	4,756	2,133
<b>Total assets.....</b>	<b>654,632,251</b>	<b>1,364,423</b>	<b>8,537,689</b>	<b>8,955,274</b>	<b>71,243,487</b>	<b>105,912,022</b>	<b>458,619,355</b>
Cash:							
Number of returns.....	91,486	30,081	27,980	9,926	18,278	3,679	1,543
Amount.....	10,892,852	322,278	781,055	493,672	2,199,338	2,180,705	4,915,803
Savings and temporary cash investments:							
Number of returns.....	81,026	22,687	25,460	9,563	18,095	3,611	1,610
Amount.....	51,988,985	512,642	2,538,837	1,959,984	10,314,109	9,964,583	26,698,830
Accounts receivable (net):							
Number of returns.....	52,030	9,167	14,565	7,091	15,301	3,954	1,952
Amount.....	47,744,685	75,370	675,017	630,428	4,298,689	8,660,962	33,404,219
Pledges receivable (net):							
Number of returns.....	7,402	658	1,324	1,124	3,085	864	347
Amount.....	5,884,109	6,170	99,695	137,377	1,548,127	2,125,289	1,967,452
Grants receivable:							
Number of returns.....	12,027	2,329	4,109	1,658	2,994	540	396
Amount.....	3,452,787	44,994	207,095	161,086	1,019,312	582,598	1,437,702
Receivables due from officers, directors, trustees, and key employees:							
Number of returns.....	2,745	861	568	375	589	199	154
Amount.....	278,750	2,623	4,582	12,183	19,665	64,280	175,417
Other notes and loans receivable:							
Number of returns.....	12,977	862	2,478	1,632	4,779	1,957	1,169
Amount.....	17,852,017	7,098	152,224	180,281	1,686,677	2,685,350	13,140,388
Inventories for sale or use:							
Number of returns.....	24,021	3,596	6,311	2,783	6,916	2,790	1,624
Amount.....	4,628,426	32,649	146,704	76,330	734,205	1,016,217	2,622,321
Prepaid expenses and deferred charges:							
Number of returns.....	47,503	7,445	13,295	6,379	14,783	3,759	1,842
Amount.....	5,525,451	18,339	104,907	102,478	676,628	1,100,430	3,522,670
Investments in securities:							
Number of returns.....	23,406	1,215	4,773	3,426	9,472	3,021	1,499
Amount.....	203,163,956	23,882	572,306	1,008,273	12,411,046	23,783,706	165,364,743
Investments in land, buildings and equipment minus accumulated depreciation:							
Number of returns.....	17,699	5,470	4,949	2,007	3,795	973	504
Amount.....	17,338,135	71,733	550,692	583,326	4,072,268	3,008,103	9,052,013
Other investments:							
Number of returns.....	8,803	305	1,481	1,070	3,445	1,506	996
Amount.....	49,029,476	10,321	170,845	185,306	2,080,279	4,578,894	42,003,832
Land, buildings, and equipment minus accumulated depreciation:							
Number of returns.....	67,982	14,483	21,241	8,760	17,470	4,066	1,963
Amount.....	199,014,984	200,522	2,334,577	3,143,194	27,185,309	40,253,452	125,897,930
Other assets:							
Number of returns.....	39,656	6,280	10,750	4,993	12,390	3,454	1,790
Amount.....	37,837,634	35,811	199,152	281,354	2,997,834	5,907,450	28,416,034
<b>Total liabilities.....</b>	<b>293,725,281</b>	<b>576,973</b>	<b>2,553,895</b>	<b>3,059,590</b>	<b>28,917,503</b>	<b>41,654,642</b>	<b>216,962,679</b>
Accounts payable:							
Number of returns.....	74,915	16,966	22,624	9,365	19,488	4,397	2,075
Amount.....	46,193,766	208,723	763,816	735,965	4,948,672	8,517,210	31,019,379
Grants payable:							
Number of returns.....	4,790	810	1,453	829	1,217	334	146
Amount.....	3,685,295	35,118	89,413	79,972	518,438	977,015	1,985,337
Support and revenue designated for future periods:							
Number of returns.....	17,463	2,532	4,592	3,077	5,659	1,169	434
Amount.....	9,717,013	51,247	202,056	343,093	2,605,319	3,038,955	3,476,343
Loans from officers, directors, trustees, and key employees:							
Number of returns.....	4,463	2,634	1,088	214	455	56	16
Amount.....	320,931	52,499	31,056	4,974	106,449	56,647	69,307
Mortgages and other notes payable:							
Number of returns.....	38,905	4,861	11,285	5,780	12,209	3,095	1,674
Amount.....	119,251,898	130,369	1,080,295	1,500,178	17,184,313	21,426,375	77,930,368
Other liabilities:							
Number of returns.....	35,838	6,127	9,142	4,657	11,195	3,083	1,634
Amount.....	114,556,362	99,008	387,254	395,407	3,554,310	7,638,439	102,481,944

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 1.—Form 990 Returns of Nonprofit Charitable Section 501(c)(3) Organizations: Selected Income Statement and Balance Sheet Items, by Size of Total Assets—Continued**

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

Item	Total	Size of total assets					
		Under \$100,000 <sup>1,2</sup>	\$100,000 under \$500,000 <sup>3</sup>	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total fund balance/net worth:</b>							
Number of returns.....	113,687	37,272	33,933	12,549	23,056	4,745	2,131
Amount.....	360,907,021	787,483	5,983,805	5,895,681	42,325,995	64,257,381	241,656,675
<b>Total revenue:</b>							
Number of returns.....	114,724	37,932	34,237	12,549	23,118	4,756	2,133
Amount.....	397,702,022	5,500,375	13,991,411	9,936,416	54,030,867	70,461,149	243,781,805
<b>Total contributions received:</b>							
Number of returns.....	95,663	31,549	29,290	10,515	18,531	3,930	1,847
Amount.....	76,509,728	2,838,809	7,594,760	4,849,345	19,732,156	13,054,328	28,440,330
<b>Contributions received from direct public support:</b>							
Number of returns.....	87,007	28,765	26,547	9,542	16,817	3,678	1,659
Amount.....	35,828,100	1,389,493	2,750,530	2,590,381	8,399,210	7,816,086	12,882,400
<b>Contributions received from indirect public support:</b>							
Number of returns.....	23,900	7,090	7,773	2,703	4,934	861	540
Amount.....	7,008,648	282,415	581,230	440,425	1,766,596	1,820,600	2,117,382
<b>Government grants:</b>							
Number of returns.....	35,597	11,192	11,100	3,987	6,919	1,460	939
Amount.....	33,680,984	1,166,905	4,263,000	1,818,539	9,566,350	3,417,642	13,448,547
<b>Program service revenue:</b>							
Number of returns.....	66,986	18,992	18,238	8,135	15,881	3,852	1,887
Amount.....	271,902,487	1,957,420	4,900,625	3,978,799	28,189,385	50,022,358	182,853,901
<b>Membership dues and assessments:</b>							
Number of returns.....	27,008	11,647	7,605	3,193	3,903	492	167
Amount.....	4,625,743	232,788	446,118	220,604	1,130,676	975,300	1,620,257
<b>Interest on savings and temporary cash investments:</b>							
Number of returns.....	92,586	28,005	28,627	10,917	19,540	3,790	1,707
Amount.....	6,477,724	47,123	209,397	170,536	1,132,622	1,252,369	3,665,678
<b>Dividends and interest from securities:</b>							
Number of returns.....	22,166	2,026	5,612	3,212	7,529	2,505	1,284
Amount.....	12,577,298	3,710	64,157	88,054	837,219	1,630,721	9,953,436
<b>Net rental income (loss):</b>							
Number of returns.....	17,506	1,975	4,486	2,472	5,867	1,671	1,036
Amount.....	905,355	11,989	48,621	68,600	234,524	160,063	381,557
<b>Gross rents:</b>							
Number of returns.....	17,604	2,025	4,486	2,499	5,887	1,666	1,040
Amount.....	2,152,808	22,758	87,577	94,882	643,236	346,233	958,123
<b>Rental expenses:</b>							
Number of returns.....	7,217	658	1,657	749	2,804	786	562
Amount.....	1,247,453	10,767	38,956	26,282	408,711	186,170	576,565
<b>Other investment income:</b>							
Number of returns.....	4,487	405	999	588	1,453	600	441
Amount.....	2,865,143	872	9,096	6,229	85,839	186,604	2,576,504
<b>Total gain (loss) from sales of assets:</b>							
Number of returns.....	21,338	1,671	4,546	2,835	8,016	2,749	1,521
Amount.....	7,278,896	18,604	18,478	59,330	470,364	780,284	5,931,836
<b>Gain (loss), sales of securities:</b>							
Number of returns.....	12,296	659	2,082	1,739	5,084	1,829	903
Amount.....	6,183,548	-1,529	23,206	22,858	327,802	637,726	5,173,485
<b>Gross amount from sales:</b>							
Number of returns.....	12,055	659	2,086	1,685	4,976	1,779	870
Amount.....	143,277,849	44,374	133,277	211,320	3,465,481	8,562,216	130,861,180
<b>Cost or other basis and sales expense:</b>							
Number of returns.....	11,052	659	1,927	1,632	4,568	1,531	736
Amount.....	137,094,302	45,903	110,071	188,464	3,137,678	7,924,490	125,687,695
<b>Gain (loss), sales of other assets:</b>							
Number of returns.....	11,043	1,012	2,569	1,257	3,784	1,446	974
Amount.....	1,095,347	20,133	-4,728	36,472	142,561	142,558	758,350
<b>Gross amount from sales:</b>							
Number of returns.....	9,705	911	2,359	1,097	3,215	1,240	882
Amount.....	3,436,496	28,750	66,169	73,267	418,075	765,714	2,084,522
<b>Cost or other basis and sales expense:</b>							
Number of returns.....	7,931	658	1,828	802	2,789	1,078	775
Amount.....	2,341,143	8,617	70,892	36,792	275,515	623,155	1,326,171

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 1.--Form 990 Returns of Nonprofit Charitable Section 501(c)(3) Organizations: Selected Income Statement and Balance Sheet Items, by Size of Total Assets--Continued**

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

Item	Total	Size of total assets					
		Under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total revenue (continued):</b>							
Net income (loss), fundraising:							
Number of returns.....	26,845	11,750	8,251	2,488	3,702	482	173
Amount.....	1,373,120	205,777	328,353	134,726	461,835	160,299	82,131
Gross revenue:							
Number of returns.....	27,075	11,850	8,197	2,515	3,806	515	191
Amount.....	2,615,476	565,799	587,866	259,764	778,522	279,569	143,955
Direct expenses:							
Number of returns.....	22,507	9,977	6,477	2,193	3,235	454	171
Amount.....	1,242,358	360,022	259,515	125,039	316,687	119,270	61,824
Gross profit (loss), sales of inventory:							
Number of returns.....	15,783	4,761	4,656	2,024	3,342	655	346
Amount.....	3,651,744	106,337	138,811	80,179	729,724	685,030	1,911,663
Gross sales minus returns and allowances:							
Number of returns.....	15,788	4,710	4,757	1,998	3,320	657	347
Amount.....	7,393,975	241,655	364,209	177,899	1,744,285	1,555,058	3,310,870
Cost of goods sold:							
Number of returns.....	13,788	4,051	4,041	1,837	2,927	602	329
Amount.....	3,742,232	135,317	225,398	97,721	1,014,562	870,028	1,399,206
Other revenue:							
Number of returns.....	39,509	8,763	10,274	5,111	10,760	3,020	1,582
Amount.....	9,534,765	76,940	232,987	280,011	1,026,519	1,553,792	6,364,515
Excess revenue over expenses, or deficit:							
Number of returns.....	113,776	37,526	33,926	12,469	22,992	4,738	2,125
Amount.....	27,022,953	25,630	549,631	471,339	3,667,527	4,731,025	17,577,801
<b>Total expenses:</b>							
Number of returns.....	113,783	37,678	33,917	12,496	22,819	4,743	2,130
Amount.....	370,697,071	5,474,747	13,441,780	9,465,077	50,363,340	65,730,124	226,222,003
Program services:							
Number of returns.....	107,709	35,197	32,096	12,067	21,669	4,589	2,091
Amount.....	315,930,561	4,290,763	10,889,576	7,659,968	41,629,245	53,948,639	197,512,369
Management and general:							
Number of returns.....	93,851	29,171	28,014	10,739	19,787	4,233	1,908
Amount.....	50,000,019	981,260	2,293,735	1,574,823	7,733,933	10,503,079	26,913,189
Fundraising:							
Number of returns.....	32,765	9,722	8,948	4,148	7,303	1,802	841
Amount.....	3,505,846	173,740	213,343	180,759	821,305	832,855	1,283,844
Payments to affiliates:							
Number of returns.....	5,230	1,419	1,591	615	1,288	199	118
Amount.....	1,242,493	28,994	45,121	49,527	178,697	445,554	494,600

<sup>1</sup>Includes returns with zero assets or assets not reported. Estimates in this column should be used with caution because of the small number of sample returns on which they are based.

<sup>2</sup>Includes organizations with end-of-year total assets less than \$250,000 and gross receipts less than \$100,000 not filing a Form 990EZ.

NOTES: Nonprofit charitable organizations exclude private foundations and most religious organizations. Detail may not add to totals because of rounding and processing tolerances.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 2.—Form 990 Returns of Nonprofit Charitable Section 501(c)(3) Organizations: Total Functional Expenditures, by Size of Contributions Received**

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

Item	Total	Size of contributions received						
		No contributions received	\$1 under \$25,000	\$25,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns.....	114,724	19,061	22,357	24,977	29,371	8,009	10,057	891
<b>Total functional expenditures:</b>								
Number of returns.....	113,781	18,535	22,145	24,849	29,329	7,996	10,036	891
Amount.....	369,436,571	53,509,562	30,589,310	25,439,061	56,716,491	28,914,569	94,320,766	79,946,812
<b>Grants and allocations:</b>								
Number of returns.....	28,226	4,255	5,503	5,654	6,936	2,007	3,359	510
Amount.....	18,295,362	1,011,584	325,316	304,097	989,284	754,557	5,164,585	9,745,937
<b>Specific assistance to individuals:</b>								
Number of returns.....	10,197	712	1,495	1,823	3,447	1,107	1,489	125
Amount.....	18,490,455	6,849,887	9,115,419	88,464	183,282	176,898	975,854	1,100,651
<b>Benefits paid to or for members:</b>								
Number of returns.....	2,968	506	538	819	651	164	275	14
Amount.....	1,537,265	887,681	442,238	8,215	66,294	7,461	60,825	64,551
<b>Compensation of officers or directors:</b>								
Number of returns.....	34,770	5,406	5,073	7,338	9,788	2,614	4,052	498
Amount.....	3,418,711	614,435	237,289	386,012	653,405	283,952	846,136	397,482
<b>Other salaries and wages:</b>								
Number of returns.....	81,188	10,459	13,112	16,707	23,610	7,184	9,300	816
Amount.....	130,054,443	12,084,944	7,874,157	9,890,303	22,450,357	11,344,365	36,914,145	29,496,173
<b>Pension plan contributions:</b>								
Number of returns.....	19,771	2,413	1,841	2,633	5,803	2,455	4,084	541
Amount.....	3,664,547	388,809	123,409	174,907	462,939	203,038	1,007,330	1,304,114
<b>Other employee benefits:</b>								
Number of returns.....	53,667	6,707	6,869	10,137	15,512	6,005	7,713	724
Amount.....	13,808,068	1,404,334	769,942	1,028,059	2,383,690	1,197,179	3,714,528	3,310,336
<b>Payroll taxes:</b>								
Number of returns.....	70,481	8,981	11,551	14,864	21,076	5,789	7,561	660
Amount.....	8,630,249	753,887	563,605	698,301	1,565,605	806,919	2,393,619	1,848,313
<b>Accounting fees:</b>								
Number of returns.....	69,515	11,655	12,091	13,975	19,120	5,158	6,830	686
Amount.....	826,829	99,742	63,704	79,671	155,020	73,252	248,764	106,675
<b>Legal fees:</b>								
Number of returns.....	30,061	6,216	4,268	4,830	7,417	2,317	4,392	622
Amount.....	910,698	179,831	54,759	70,958	147,964	69,905	231,182	156,100
<b>Supplies:</b>								
Number of returns.....	90,813	12,121	17,180	19,859	24,800	7,220	8,857	777
Amount.....	29,208,152	3,096,726	1,806,157	2,596,583	5,819,080	2,631,284	7,676,507	5,581,815
<b>Telephone:</b>								
Number of returns.....	80,378	10,211	13,573	17,404	23,682	6,620	8,172	716
Amount.....	1,990,334	190,033	120,702	138,747	290,454	147,710	578,118	524,571
<b>Postage and shipping:</b>								
Number of returns.....	70,683	7,569	13,156	16,426	19,944	6,017	6,901	670
Amount.....	1,563,781	145,825	62,169	81,396	244,770	106,077	446,842	476,702
<b>Occupancy:</b>								
Number of returns.....	81,314	10,956	14,441	16,619	23,140	6,636	8,773	749
Amount.....	10,527,978	1,173,415	762,951	761,201	1,668,878	847,842	3,010,986	2,302,705
<b>Equipment rental and maintenance:</b>								
Number of returns.....	59,680	6,799	9,905	12,397	16,896	5,869	7,140	674
Amount.....	4,681,820	528,024	265,078	376,190	819,390	399,774	1,304,321	989,044
<b>Printing and publications:</b>								
Number of returns.....	70,870	7,684	13,332	15,498	20,428	5,895	7,317	715
Amount.....	3,054,184	252,336	100,036	181,951	613,847	228,237	846,841	830,935
<b>Travel:</b>								
Number of returns.....	64,330	6,455	8,886	14,102	19,839	6,209	8,111	729
Amount.....	2,752,529	236,564	103,913	159,653	322,101	181,399	841,152	907,746
<b>Conferences, conventions, and meetings:</b>								
Number of returns.....	49,619	5,495	8,883	10,919	14,121	4,462	5,217	522
Amount.....	1,089,428	126,475	81,621	90,701	193,061	91,263	279,171	227,136
<b>Interest:</b>								
Number of returns.....	39,692	6,517	6,070	7,554	11,263	3,055	4,810	424
Amount.....	8,504,754	2,199,771	618,424	709,057	1,434,669	687,724	1,681,931	1,173,178
<b>Depreciation and depletion:</b>								
Number of returns.....	65,945	9,658	10,423	12,531	19,904	5,623	7,278	528
Amount.....	12,301,193	1,672,881	922,025	1,200,925	2,581,289	1,175,312	3,184,148	1,564,613
<b>Other expenses:</b>								
Number of returns.....	110,705	17,335	21,907	23,972	28,767	7,848	9,990	887
Amount.....	93,893,478	19,607,978	6,174,909	6,395,726	13,636,251	7,452,582	22,821,496	17,804,534

NOTES: Nonprofit charitable organizations exclude private foundations and most religious organizations. Detail may not add to totals because of rounding and processing tolerances.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 3.—Form 990 Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)–(9): Selected Income Statement and Balance Sheet Items, by Code Section**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns.....</b>	<b>114,724</b>	<b>16,174</b>	<b>15,883</b>	<b>17,902</b>	<b>12,498</b>	<b>7,219</b>	<b>9,110</b>
<b>Total assets.....</b>	<b>654,632,251</b>	<b>32,792,055</b>	<b>13,026,283</b>	<b>17,147,617</b>	<b>8,466,600</b>	<b>25,052,687</b>	<b>29,361,580</b>
<b>Cash:</b>							
Number of returns.....	91,486	12,901	13,310	14,647	10,598	6,459	4,797
Amount.....	10,892,852	601,629	1,169,991	691,637	291,730	223,477	797,299
<b>Savings and temporary cash investments:</b>							
Number of returns.....	81,026	11,913	10,187	15,191	9,016	5,162	6,662
Amount.....	51,988,985	4,671,388	3,304,739	4,500,461	797,623	792,759	8,027,097
<b>Accounts receivable (net):</b>							
Number of returns.....	52,030	3,322	3,512	6,764	5,766	1,182	4,248
Amount.....	47,744,685	2,315,837	512,098	2,308,523	612,124	37,895	2,854,357
<b>Pledges receivable (net):</b>							
Number of returns.....	7,402	82	106	178	108	29	107
Amount.....	5,884,109	36,813	23,866	61,986	5,838	1,875	34,806
<b>Grants receivable:</b>							
Number of returns.....	12,027	238	43	229	7	21	42
Amount.....	3,452,787	117,269	7,328	24,827	151	1,460	20,177
<b>Receivables due from officers, directors, trustees, and key employees:</b>							
Number of returns.....	2,745	115	227	252	138	22	48
Amount.....	278,750	22,592	29,834	7,666	1,588	40,032	1,454
<b>Other notes and loans receivable:</b>							
Number of returns.....	12,977	857	935	1,363	738	311	332
Amount.....	17,852,017	7,055,059	276,450	357,435	87,406	281,347	124,312
<b>Inventories for sale or use:</b>							
Number of returns.....	24,021	2,369	565	1,936	5,397	4,386	78
Amount.....	4,628,426	94,884	15,355	124,719	110,790	32,984	4,221
<b>Prepaid expenses and deferred charges:</b>							
Number of returns.....	47,503	2,838	2,466	6,372	4,429	1,248	2,234
Amount.....	5,525,451	150,007	95,214	238,136	96,514	15,271	75,788
<b>Investments in securities:</b>							
Number of returns.....	23,406	1,490	2,175	2,404	731	1,549	2,462
Amount.....	203,163,956	6,928,368	4,381,843	4,859,616	188,373	12,109,098	14,707,655
<b>Investments in land, buildings and equipment minus accumulated depreciation:</b>							
Number of returns.....	17,699	2,196	2,094	2,507	1,808	937	277
Amount.....	17,338,135	1,413,095	250,530	350,616	744,516	450,882	68,888
<b>Other investments:</b>							
Number of returns.....	8,803	531	1,226	1,136	467	356	549
Amount.....	49,029,476	2,219,291	720,505	631,223	54,833	2,956,162	1,441,290
<b>Land, buildings and equipment minus accumulated depreciation:</b>							
Number of returns.....	67,982	6,736	8,271	8,084	7,416	4,811	1,259
Amount.....	199,014,984	4,338,992	1,902,175	2,112,118	5,243,801	1,733,144	291,090
<b>Other assets:</b>							
Number of returns.....	39,656	3,511	4,131	5,140	3,013	2,400	2,334
Amount.....	37,837,634	2,826,829	336,350	878,655	231,305	6,376,298	913,146
<b>Total liabilities.....</b>	<b>293,725,281</b>	<b>24,213,829</b>	<b>2,165,613</b>	<b>10,121,949</b>	<b>2,695,296</b>	<b>20,099,902</b>	<b>10,427,039</b>
<b>Accounts payable:</b>							
Number of returns.....	74,915	6,092	6,797	10,131	6,706	4,176	4,801
Amount.....	46,193,766	3,524,387	867,256	1,440,728	541,206	376,342	4,643,790
<b>Grants payable:</b>							
Number of returns.....	4,790	391	39	151	30	146	19
Amount.....	3,685,295	147,396	11,511	28,459	3,052	98,381	26,553
<b>Support and revenue designated for future periods:</b>							
Number of returns.....	17,463	516	236	2,299	905	680	262
Amount.....	9,717,013	414,151	70,029	665,474	104,629	31,449	231,883
<b>Loans from officers, directors, trustees, and key employees:</b>							
Number of returns.....	4,463	74	15	97	66	46	11
Amount.....	320,931	6,126	528	9,122	7,183	120	1,317
<b>Mortgages and other notes payable:</b>							
Number of returns.....	38,905	3,568	2,077	3,139	4,757	2,499	87
Amount.....	119,251,898	10,901,905	531,111	1,436,398	1,521,480	290,332	75,893
<b>Other liabilities:</b>							
Number of returns.....	35,838	2,937	3,611	5,656	4,043	2,416	2,802
Amount.....	114,556,362	9,219,863	685,177	6,541,769	517,745	19,303,279	5,447,603

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 3.--Form 990 Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Selected Income Statement and Balance Sheet Items, by Code Section--Continued**

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

	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total fund balance/net worth:</b>							
Number of returns.....	113,687	15,988	15,793	17,760	12,427	7,204	8,252
Amount.....	360,907,021	8,578,225	10,860,668	7,025,667	5,771,304	4,952,777	18,934,542
<b>Total revenue:</b>							
Number of returns.....	114,724	16,170	15,883	17,902	12,498	7,219	9,110
Amount.....	397,702,022	16,349,325	11,766,198	15,733,194	5,530,596	6,255,369	45,277,550
<b>Total contributions received:</b>							
Number of returns.....	95,663	7,651	1,670	4,230	1,895	3,716	523
Amount.....	76,509,728	1,477,291	314,305	946,937	33,268	78,518	2,539,600
<b>Contributions received from direct public support:</b>							
Number of returns.....	87,007	6,496	1,260	2,896	1,561	3,503	429
Amount.....	35,828,100	740,971	77,481	284,364	21,335	60,388	2,398,991
<b>Contributions received from indirect public support:</b>							
Number of returns.....	23,900	1,204	202	787	462	467	111
Amount.....	7,008,648	71,946	133,499	56,931	10,346	17,441	117,326
<b>Government grants:</b>							
Number of returns.....	35,597	2,243	502	1,172	25	22	84
Amount.....	33,680,984	664,374	103,325	605,643	1,587	690	23,283
<b>Program service revenue:</b>							
Number of returns.....	66,986	5,988	3,914	11,782	6,504	3,126	7,134
Amount.....	271,902,487	10,776,107	2,453,806	6,459,124	975,381	4,978,117	37,396,907
<b>Membership dues and assessments:</b>							
Number of returns.....	27,008	10,362	14,699	16,584	11,450	6,646	1,310
Amount.....	4,625,743	1,851,128	7,363,506	6,677,584	3,165,111	441,484	2,301,786
<b>Interest on savings and temporary cash investments:</b>							
Number of returns.....	92,586	13,551	13,704	16,270	10,875	6,162	7,400
Amount.....	6,477,724	833,795	439,847	531,135	80,126	75,313	905,749
<b>Dividends and interest from securities:</b>							
Number of returns.....	22,166	1,376	2,036	1,829	1,046	1,044	2,132
Amount.....	12,577,298	254,712	230,067	249,815	14,889	175,101	924,487
<b>Net rental income (loss):</b>							
Number of returns.....	17,506	2,964	3,127	2,219	2,606	2,207	140
Amount.....	905,355	190,479	31,631	20,502	37,481	23,533	1,213
<b>Gross rents:</b>							
Number of returns.....	17,604	2,991	3,150	2,266	2,628	2,223	141
Amount.....	2,152,808	329,134	103,921	104,368	72,437	55,369	10,138
<b>Rental expenses:</b>							
Number of returns.....	7,217	1,283	1,225	989	1,241	681	85
Amount.....	1,247,453	138,655	72,290	83,866	34,954	31,837	8,925
<b>Other investment income:</b>							
Number of returns.....	4,487	218	388	269	222	150	308
Amount.....	2,865,143	55,681	27,774	14,911	3,918	15,832	55,927
<b>Total gain (loss) from sales of assets:</b>							
Number of returns.....	21,338	1,065	1,317	1,274	939	731	1,442
Amount.....	7,278,896	132,791	108,361	70,566	24,108	97,188	182,209
<b>Gain (loss), sales of securities:</b>							
Number of returns.....	12,296	464	531	421	181	356	1,459
Amount.....	6,183,548	1,673,117	3,902,425	2,139,614	32,718	605,963	37,544,885
<b>Gross amount from sales:</b>							
Number of returns.....	12,055	435	526	363	170	330	1,448
Amount.....	143,277,849	1,590,301	3,827,082	2,116,447	29,344	538,970	37,369,670
<b>Cost or other basis and sales expense:</b>							
Number of returns.....	11,052	458	475	441	182	346	1,344
Amount.....	137,094,302	82,817	75,344	23,167	3,374	66,993	175,216
<b>Gain (loss), sales of other assets:</b>							
Number of returns.....	11,043	649	1,011	852	683	403	193
Amount.....	1,095,347	214,805	61,263	111,788	72,832	56,056	1,482,151
<b>Gross amount from sales:</b>							
Number of returns.....	9,705	348	580	687	529	259	184
Amount.....	3,436,496	164,831	28,246	64,389	52,098	25,861	1,475,158
<b>Cost or other basis and sales expense:</b>							
Number of returns.....	7,931	656	1,002	898	788	404	142
Amount.....	2,341,143	49,974	33,017	47,399	20,734	30,195	6,994

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 3.—Form 990 Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Selected Income Statement and Balance Sheet Items, by Code Section—Continued**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total revenue (continued):</b>							
Net income (loss), fundraising:							
Number of returns.....	26,845	6,397	935	3,107	1,691	2,612	90
Amount.....	1,373,120	175,499	18,629	72,214	20,415	93,910	2,616
Gross revenue:							
Number of returns.....	27,075	6,400	935	3,105	1,698	2,615	90
Amount.....	2,615,476	747,447	51,278	238,367	63,708	294,605	5,331
Direct expenses:							
Number of returns.....	22,507	5,667	753	2,899	1,488	2,215	89
Amount.....	1,242,358	571,947	32,649	166,173	43,293	200,694	2,715
Gross profit (loss), sales of inventory:							
Number of returns.....	15,783	3,040	975	1,596	5,705	3,169	29
Amount.....	3,651,744	142,056	14,040	101,496	1,010,076	193,743	1,536
Gross sales minus returns and allowances:							
Number of returns.....	15,788	3,040	1,055	1,580	5,701	3,163	30
Amount.....	7,393,975	478,803	35,043	293,729	2,128,748	476,840	58,998
Cost of goods sold:							
Number of returns.....	13,788	2,866	934	1,229	5,556	3,084	28
Amount.....	3,742,232	336,746	21,003	192,231	1,118,670	283,096	57,462
Other revenue:							
Number of returns.....	39,509	5,323	7,949	7,695	4,042	2,236	1,911
Amount.....	9,534,765	459,784	764,233	588,908	165,821	82,624	965,519
Excess of revenue over expenses, or deficit:							
Number of returns.....	113,776	16,068	15,837	17,888	12,461	7,219	8,695
Amount.....	27,022,953	777,039	363,064	-52,143	245,829	366,851	1,028,372
<b>Total expenses:</b>							
Number of returns.....	113,783	15,844	15,857	17,902	12,392	7,162	9,102
Amount.....	370,697,071	15,572,285	11,403,133	15,785,336	5,284,766	5,888,517	44,249,177
Program services:							
Number of returns.....	107,709	14,337	--	--	--	--	--
Amount.....	315,930,561	13,006,480	--	--	--	--	--
Management and general:							
Number of returns.....	93,851	11,945	--	--	--	--	--
Amount.....	50,000,019	2,327,300	--	--	--	--	--
Fundraising:							
Number of returns.....	32,765	2,382	--	--	--	--	--
Amount.....	3,505,846	180,755	--	--	--	--	--
Payments to affiliates:							
Number of returns.....	5,230	1,821	9,570	1,087	590	2,573	73
Amount.....	1,242,493	57,749	1,545,103	81,173	6,688	22,874	975

<sup>1</sup>Excludes private foundations and most religious organizations.

NOTE: Detail may not add to totals because of rounding and processing tolerances.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 4.--Form 990 Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Total Functional Expenditures, by Code Section**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns.....	114,724	16,174	15,883	17,902	12,498	7,219	9,110
<b>Total functional expenditures:</b>							
Number of returns.....	113,781	15,844	15,857	17,902	12,392	7,162	9,102
Amount.....	369,436,571	15,514,535	9,858,028	15,704,163	5,279,435	5,865,644	44,248,202
<b>Grants and allocations:</b>							
Number of returns.....	28,226	4,597	3,895	4,023	800	3,459	272
Amount.....	18,295,362	260,164	86,750	315,100	5,050	139,966	506,689
<b>Specific assistance to individuals:</b>							
Number of returns.....	10,197	1,366	374	601	149	858	256
Amount.....	18,490,455	134,819	6,056	29,824	530	12,672	255,231
<b>Benefits paid to or for members:</b>							
Number of returns.....	2,968	1,792	5,077	926	694	1,702	7,542
Amount.....	1,537,265	5,444,829	1,027,163	506,258	18,698	3,590,487	37,539,751
<b>Compensation of officers or directors:</b>							
Number of returns.....	34,770	3,268	11,888	6,660	1,490	4,760	1,491
Amount.....	3,418,711	128,381	905,251	557,984	35,863	53,113	151,162
<b>Other salaries and wages:</b>							
Number of returns.....	81,188	5,966	11,200	10,942	7,815	5,024	1,548
Amount.....	130,054,443	1,584,546	1,883,151	2,634,092	1,699,567	459,720	326,354
<b>Pension plan contributions:</b>							
Number of returns.....	19,771	770	4,795	3,771	645	246	719
Amount.....	3,664,547	46,767	226,158	136,432	15,793	28,216	77,480
<b>Other employee benefits:</b>							
Number of returns.....	53,667	2,084	5,359	6,604	3,020	674	1,302
Amount.....	13,808,068	196,873	278,438	372,239	120,896	169,132	510,794
<b>Payroll taxes:</b>							
Number of returns.....	70,481	5,617	11,547	10,121	7,264	5,059	1,831
Amount.....	8,630,249	110,624	264,022	230,662	223,009	67,609	44,715
<b>Accounting fees:</b>							
Number of returns.....	69,515	8,251	9,369	12,974	6,920	4,125	4,465
Amount.....	826,829	33,742	51,723	64,458	35,031	14,053	64,083
<b>Legal fees:</b>							
Number of returns.....	30,061	3,144	6,482	7,107	1,869	1,176	3,580
Amount.....	910,698	66,544	208,006	271,425	11,878	7,748	66,727
<b>Supplies:</b>							
Number of returns.....	90,813	11,483	10,271	13,479	9,417	6,067	2,197
Amount.....	29,208,152	210,060	164,533	178,608	210,808	48,536	34,974
<b>Telephone:</b>							
Number of returns.....	80,378	7,808	9,636	13,449	8,870	4,712	1,708
Amount.....	1,990,334	70,639	95,073	132,424	45,269	21,938	12,516
<b>Postage and shipping:</b>							
Number of returns.....	70,683	7,592	7,776	13,965	6,240	4,836	2,160
Amount.....	1,563,781	164,325	67,274	227,711	25,250	21,123	26,542
<b>Occupancy:</b>							
Number of returns.....	81,314	8,739	11,509	12,065	10,455	6,087	2,381
Amount.....	10,527,978	369,443	348,155	521,762	602,662	153,453	214,698
<b>Equipment rental and maintenance:</b>							
Number of returns.....	59,680	6,272	5,067	8,409	6,279	3,263	796
Amount.....	4,681,820	97,297	64,299	151,797	157,682	25,178	16,146
<b>Printing and publications:</b>							
Number of returns.....	70,870	7,104	6,361	14,337	6,067	4,645	2,133
Amount.....	3,054,184	256,990	158,900	645,140	56,028	39,534	25,135
<b>Travel:</b>							
Number of returns.....	64,330	4,218	6,669	11,258	2,044	1,398	710
Amount.....	2,752,529	83,862	250,611	392,236	17,161	20,775	6,923
<b>Conferences, conventions, and meetings:</b>							
Number of returns.....	49,619	7,077	9,341	14,376	2,845	4,808	2,132
Amount.....	1,089,428	88,453	169,441	852,247	22,337	38,299	14,805
<b>Interest:</b>							
Number of returns.....	39,692	3,987	2,512	4,027	4,866	2,590	333
Amount.....	8,504,754	1,061,378	42,485	71,762	124,568	22,109	11,164
<b>Depreciation and depletion:</b>							
Number of returns.....	65,945	5,876	6,612	9,240	6,849	2,814	1,419
Amount.....	12,301,193	236,788	129,334	250,458	368,673	57,996	30,992
<b>Other expenses:</b>							
Number of returns.....	110,705	15,145	15,568	17,518	12,224	6,981	7,595
Amount.....	93,893,478	4,852,428	3,431,195	7,161,534	1,482,673	873,974	4,311,320

<sup>1</sup>Excludes private foundations and most religious organizations.

NOTE: Detail may not add to totals because of rounding and processing tolerances.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 5.--Form 990EZ Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Selected Income Statement and Balance Sheet Items, by Code Section**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) *	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns.....	18,433	5,049	4,776	3,643	2,379	1,324	481
Total assets.....	793,740	237,228	216,722	122,451	154,130	109,535	16,034
Cash, savings and investments:							
Number of returns.....	17,927	4,923	4,691	3,559	2,337	1,251	354
Amount.....	501,502	162,998	158,474	110,883	54,492	53,193	12,503
Land and buildings (net):							
Number of returns.....	4,152	864	1,175	337	1,226	587	57
Amount.....	198,728	56,273	37,360	4,588	89,245	48,110	1,284
Other assets:							
Number of returns.....	7,090	1,622	2,073	1,168	1,048	602	129
Amount.....	93,512	17,958	20,889	6,981	10,392	8,236	2,247
Total liabilities:							
Number of returns.....	6,533	1,120	1,594	1,069	998	614	99
Amount.....	94,017	21,481	23,080	6,619	22,066	9,557	853
Total revenue:							
Number of returns.....	18,433	5,049	4,776	3,643	2,379	1,323	481
Amount.....	926,388	196,596	258,049	188,113	103,458	55,051	26,608
Contributions, gifts and grants:							
Number of returns.....	15,800	2,691	550	1,364	536	654	72
Amount.....	463,432	28,383	3,120	15,740	3,224	5,568	2,858
Program service revenue:							
Number of returns.....	8,659	1,400	1,141	2,039	850	582	283
Amount.....	232,364	31,958	15,239	47,643	20,599	18,048	14,460
Dues and assessments:							
Number of returns.....	7,647	3,821	4,605	3,390	2,194	1,239	211
Amount.....	83,557	68,809	200,237	98,262	56,595	13,436	6,397
Investment income:							
Number of returns.....	13,723	4,328	3,888	3,137	1,842	1,137	397
Amount.....	31,966	11,416	9,725	7,663	3,707	5,234	892
Gain (loss) from sales of assets:							
Number of returns.....	1,013	72	84	57	156	--	15
Amount.....	3,395	462	5	102	654	--	84
Gross amount from sales of assets:							
Number of returns.....	1,165	129	84	--	156	--	15
Amount.....	9,016	942	5	--	903	--	105
Cost or other basis and sales expense:							
Number of returns.....	810	129	--	57	42	--	15
Amount.....	5,623	481	--	102	249	--	189
Net income (loss), fundraising:							
Number of returns.....	6,938	2,844	367	1,307	917	565	--
Amount.....	65,440	27,854	2,977	10,007	6,899	7,125	--
Gross fundraising revenue:							
Number of returns.....	6,938	2,886	409	1,307	917	565	--
Amount.....	125,995	68,134	5,930	29,121	21,454	20,283	--
Direct expenses:							
Number of returns.....	5,621	2,547	283	1,138	719	550	--
Amount.....	60,554	40,280	2,952	19,114	14,555	13,157	--
Gross profit (loss), sales of inventories:							
Number of returns.....	3,494	890	367	253	721	230	--
Amount.....	21,897	10,536	3,162	924	7,101	3,013	--
Gross sales minus returns and allowances:							
Number of returns.....	3,494	890	367	253	721	230	--
Amount.....	48,171	23,882	6,139	2,330	19,229	6,213	--
Cost of goods sold:							
Number of returns.....	3,140	833	367	169	721	230	--
Amount.....	26,274	13,346	2,977	1,405	12,127	3,201	--
Other revenue:							
Number of returns.....	5,874	2,122	2,789	1,153	810	300	183
Amount.....	24,329	17,177	23,583	7,975	4,678	2,626	2,086
Excess of revenue over expenses, or deficit:							
Number of returns.....	18,332	5,049	4,776	3,643	2,379	1,323	481
Amount.....	97,180	12,924	12,214	11,041	4,243	8,199	2,007

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1989

**Table 5.--Form 990EZ Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Selected Income Statement and Balance Sheet Items, by Code Section--Continued**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total expenses:</b>							
Number of returns.....	18,382	4,985	4,776	3,643	2,379	1,323	481
Amount.....	829,206	183,671	245,836	177,071	99,220	46,851	24,601
<b>Grants paid:</b>							
Number of returns.....	5,672	2,745	1,999	1,069	536	1,165	--
Amount.....	105,769	31,195	40,285	6,523	2,844	11,428	--
<b>Benefits paid to or for members:</b>							
Number of returns.....	1,114	820	1,522	436	253	369	409
Amount.....	8,333	13,711	22,975	6,897	6,129	1,828	16,974
<b>Salaries and compensation:</b>							
Number of returns.....	8,963	1,264	3,633	1,590	966	728	198
Amount.....	235,003	15,564	60,190	32,663	11,992	3,988	1,589
<b>Professional fees:</b>							
Number of returns.....	10,229	1,400	2,398	2,673	1,021	456	198
Amount.....	70,291	5,786	6,171	25,333	2,866	641	1,324
<b>Occupancy, rent and utilities:</b>							
Number of returns.....	12,255	2,278	3,199	2,264	1,844	1,068	57
Amount.....	87,522	17,119	15,983	10,043	30,171	7,746	428
<b>Printing, publications and postage:</b>							
Number of returns.....	14,382	3,838	3,521	3,348	1,559	1,080	183
Amount.....	59,861	7,078	9,426	20,454	3,791	2,243	171
<b>Other expenses:</b>							
Number of returns.....	17,066	4,675	4,480	3,516	2,139	1,209	354
Amount.....	262,419	93,217	90,804	75,159	41,426	18,977	4,116

<sup>1</sup>Excludes private foundations and most religious organizations.

NOTE: Detail may not add to totals because of rounding and processing tolerances.

# High-Income Tax Returns for 1990

The Tax Reform Act of 1976 required annual publication of data on individual income tax returns reporting income of \$200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable [1]. This article presents summary data on high-income tax returns for the period 1977 to 1990, and detailed data for 1990. Data for the years 1974 through 1989 have been published previously [2].

Two income concepts are used in this article to classify tax returns as high income: the statutory income concept of "Adjusted Gross Income" (AGI), and the "Expanded Income" concept [3]. Expanded income uses items reported on tax returns to obtain a more comprehensive measure of income than AGI. Specifically, expanded income is AGI *plus* tax-exempt interest, nontaxable social security benefits, the foreign earned income exclusion, and items of "tax preference" for "alternative minimum tax" purposes; *less* unreimbursed employee business expenses, moving expenses, investment interest to the extent it does not exceed investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor [4]. Note that although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceed the additions, with the result that expanded income is less than AGI.

## Number of High-Income Returns

For 1990, there were 834,957 individual income tax returns reporting AGI of \$200,000 or more, and 860,940 reporting expanded income of \$200,000 or more. These returns represented, respectively, 0.734 and 0.757 percent of all returns for 1990 (see the top panel of Figure A).

Since 1977, the number of returns reporting income of \$200,000 or more increased at a much more rapid rate than the total number of returns filed. This pattern is true under both income concepts. Each year these high-income returns have comprised a larger share of all returns than for the preceding years (Figure A). The difference in the number of high-income returns between the two income concepts significantly decreased beginning with 1987, when AGI began to include 100 percent of long-term capital gains. This change in the definition of AGI makes the income concepts of AGI and expanded income more comparable. In addition, as a result of the inclusion of tax-exempt interest in expanded income starting with

1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

In the top panel of Figure A the \$200,000 threshold for high-income returns is measured in current year (nominal) dollars. As a result of inflation, the real (constant) dollar level of the threshold has fallen over time, and some returns are classified as high income that would not have been classified as high income in earlier years. To maintain the comparability of the threshold over time, the threshold has been adjusted for inflation to constant 1976 dollars for all years, and the number of high-income tax returns has been recomputed [5].

The results using the constant 1976 dollar threshold are shown in the lower panel of Figure A. Using the expanded income concept, the number of high-income returns for 1990 measured in current year dollars was 13 times as large as for 1977. Measured in constant 1976 dollars, the number of returns for 1990 was four times the number for 1977. Note that since 1977, the number of returns with income of \$200,000 or more in constant 1976 dollars increased at a more rapid rate than the total number of returns filed. Between 1977 and 1990, the share of such returns rose from 0.067 percent to 0.201 percent of all returns.

Based on AGI, the number of high-income returns for 1990 measured in current year dollars was 16 times as large as for 1977. Measured in constant 1976 dollars, the number of returns for 1990 was five times the number for 1977. Between 1977 and 1990, the share of such returns rose from 0.052 percent to 0.191 percent of all returns.

## Nontaxable High-Income Returns

Two tax concepts are used in this article to classify tax returns as taxable or nontaxable. The first concept, "U.S. Income Tax," is total Federal income tax liability (including the alternative minimum tax), less all credits against income tax (except the earned income tax credit). Since the U.S. income tax applies to worldwide income and since a credit (subject to certain limits) is allowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified as nontaxable under this first concept even though income taxes had been paid to a foreign government. The second tax concept, "Worldwide Income Tax," addresses this circumstance by adding back to U.S. income tax the allowed foreign tax credit and foreign taxes paid on excluded foreign earned income [6], [7].

For 1990, of the 834,957 income tax returns with AGI of \$200,000 or more, 1,219, or 0.146 percent, had no U.S. income tax liability; and 1,114, or 0.133 percent, had no worldwide income tax liability (see the top panel of Figure

*This article was prepared under the direction of Jeff Hartzok, Chief, Individual Returns Analysis Section.*

# High-Income Tax Returns for 1990

**Figure A**

**All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in Constant 1976 Dollars, by Income Concept, Tax Years 1977-1990**

Tax year		\$200,000 income threshold measured in current dollars				
		All returns	Number of returns by income concept		Percentage of all returns by income concept	
			Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
		(1)	(2)	(3)	(4)	(5)
1977.....		88,634,640	53,403	67,580	0.060	0.076
1978.....		89,771,551	68,506	85,137	0.076	0.095
1979.....		92,694,302	93,731	122,231	0.101	0.132
1980.....		93,902,459	117,250	149,826	0.125	0.160
1981.....		96,396,123	138,136	175,092	0.143	0.182
1982.....		95,337,432	169,367	207,291	0.178	0.217
1983.....		96,321,310	198,608	249,319	0.206	0.259
1984.....		99,438,708	243,760	310,042	0.245	0.312
1985.....		101,660,287	296,507	370,340	0.292	0.364
1986.....		103,045,170	374,363	529,460	0.363	0.514
1987.....		106,996,270	539,967	557,848	0.505	0.521
1988.....		109,708,280	725,345	737,659	0.661	0.672
1989.....		112,135,673	786,063	814,152	0.701	0.726
1990.....		113,717,138	834,957	860,940	0.734	0.757

Tax year		Total	\$200,000 income threshold measured in constant 1976 dollars				
			Number of returns by income concept		Percentage of all returns by income concept		Current dollar income threshold equal to \$200,000 in constant 1976 dollars (whole dollars)
			Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	
		(6)	(7)	(8)	(9)	(10)	(11)
1977.....		88,634,640	45,931	58,991	0.052	0.067	213,005
1978.....		89,771,551	49,388	62,556	0.055	0.070	229,174
1979.....		92,694,302	55,542	76,479	0.060	0.083	255,184
1980.....		93,902,459	52,512	71,704	0.056	0.076	289,631
1981.....		96,396,123	50,880	71,146	0.053	0.074	319,508
1982.....		95,337,432	59,411	81,297	0.062	0.085	339,192
1983.....		96,321,310	67,310	93,977	0.070	0.098	350,088
1984.....		99,438,708	80,800	116,389	0.081	0.117	365,202
1985.....		101,660,287	95,740	134,715	0.094	0.133	378,207
1986.....		103,045,170	119,550	191,596	0.116	0.186	385,237
1987.....		106,996,270	161,408	169,942	0.151	0.159	399,297
1988.....		109,708,280	235,051	241,201	0.214	0.220	415,817
1989.....		112,135,673	217,685	228,530	0.194	0.204	435,852
1990.....		113,717,138	216,716	228,659	0.191	0.201	459,400

B). For 1989, there were 1,081 returns (0.138 percent) with AGI of \$200,000 or more with no U.S. income tax liability; and 987 returns (0.126 percent) with no worldwide income tax liability.

Of the 860,940 tax returns with expanded income of \$200,000 or more, 1,183, or 0.137 percent, had no U.S. income tax liability; and 1,087, or 0.126 percent, had no worldwide income tax liability. Of the 814,152 returns

with expanded income of \$200,000 or more for 1989, there were 779 (0.096 percent) with no U.S. income tax liability; and 691 (0.085 percent) with no worldwide income tax liability. Although the number of nontaxable returns went up greatly between 1977 and 1990, because the number of all returns -- taxable and nontaxable -- with income of \$200,000 or more also increased very substantially, the percentage of nontaxable returns increased only

# High-Income Tax Returns for 1990

modestly. Since the inclusion of tax-exempt interest in expanded income starting with 1987, the concept of expanded income is no longer strictly comparable to expanded income calculated for years before 1987.

Using the constant 1976 dollar threshold, the number of nontaxable returns was significantly lower than the number of such returns in current dollars. Yet the percentages of returns which were nontaxable are not sub-

stantially different as measured by AGI and are much lower as measured by expanded income. Of returns with AGI of \$200,000 or more in current dollars, 0.146 percent reported no U.S. income tax for 1990, and 0.133 percent had no worldwide income tax. For returns in constant 1976 dollars, the percentage of returns without U.S. income tax liability was 0.156; the percentage of these returns without worldwide income tax liability was 0.142

**Figure B**

**Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in Constant 1976 Dollars, by Tax and Income Concept, Tax Years 1977-1990**

Tax year	\$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1977.....	60	85	37	64	0.112	0.126	0.069	0.095
1978.....	98	105	60	67	0.143	0.123	0.088	0.079
1979.....	70	114	28	64	0.075	0.093	0.030	0.052
1980.....	143	198	56	114	0.122	0.132	0.048	0.076
1981.....	226	304	79	114	0.164	0.174	0.057	0.065
1982.....	262	299	109	153	0.155	0.144	0.064	0.074
1983.....	447	579	321	437	0.225	0.232	0.162	0.175
1984.....	532	325	471	271	0.218	0.105	0.193	0.087
1985.....	612	613	442	454	0.206	0.166	0.149	0.123
1986.....	659	595	437	379	0.176	0.112	0.117	0.072
1987.....	857	472	740	364	0.159	0.085	0.137	0.065
1988.....	822	397	731	309	0.113	0.054	0.101	0.042
1989.....	1,081	779	987	691	0.138	0.096	0.126	0.085
1990.....	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126

Tax year	\$200,000 income threshold measured in constant 1976 dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1977.....	54	75	32	56	0.118	0.127	0.070	0.095
1978.....	62	70	31	39	0.126	0.112	0.063	0.062
1979.....	38	71	15	39	0.068	0.093	0.027	0.051
1980.....	56	71	22	39	0.107	0.099	0.042	0.054
1981.....	53	87	21	55	0.104	0.122	0.041	0.077
1982.....	58	68	27	36	0.098	0.084	0.045	0.044
1983.....	138	135	113	108	0.205	0.144	0.168	0.115
1984.....	170	78	160	66	0.210	0.067	0.198	0.057
1985.....	190	155	137	99	0.198	0.115	0.143	0.073
1986.....	201	189	138	120	0.168	0.099	0.115	0.063
1987.....	312	126	271	85	0.193	0.074	0.168	0.050
1988.....	277	141	251	116	0.118	0.058	0.107	0.048
1989.....	293	128	269	106	0.135	0.056	0.124	0.046
1990.....	339	169	307	137	0.156	0.074	0.142	0.060

# High-Income Tax Returns for 1990

(see the lower panel of Figure B). Of the returns with expanded income of \$200,000 or more in current dollars, 0.137 percent reported no U.S. income tax, and 0.126 percent reported no worldwide income tax. For returns in constant 1976 dollars, the percentage of these returns without U.S. tax liability was 0.074; the percentage of these returns without worldwide income tax liability was 0.060. Beginning with 1987, the number of high-income returns whose nontaxability may be attributed to foreign tax credits has been reduced substantially. The reduction appears to be attributable to changes in the foreign tax credit provisions of the "alternative minimum tax" (AMT).

Note that the number of nontaxable returns with incomes of \$200,000 or more are based on samples. Thus, year-to-year differences in the numbers and percentages of nontaxable returns with expanded income of \$200,000 or more may represent sampling variability in addition to

actual changes in the numbers of such returns [8].

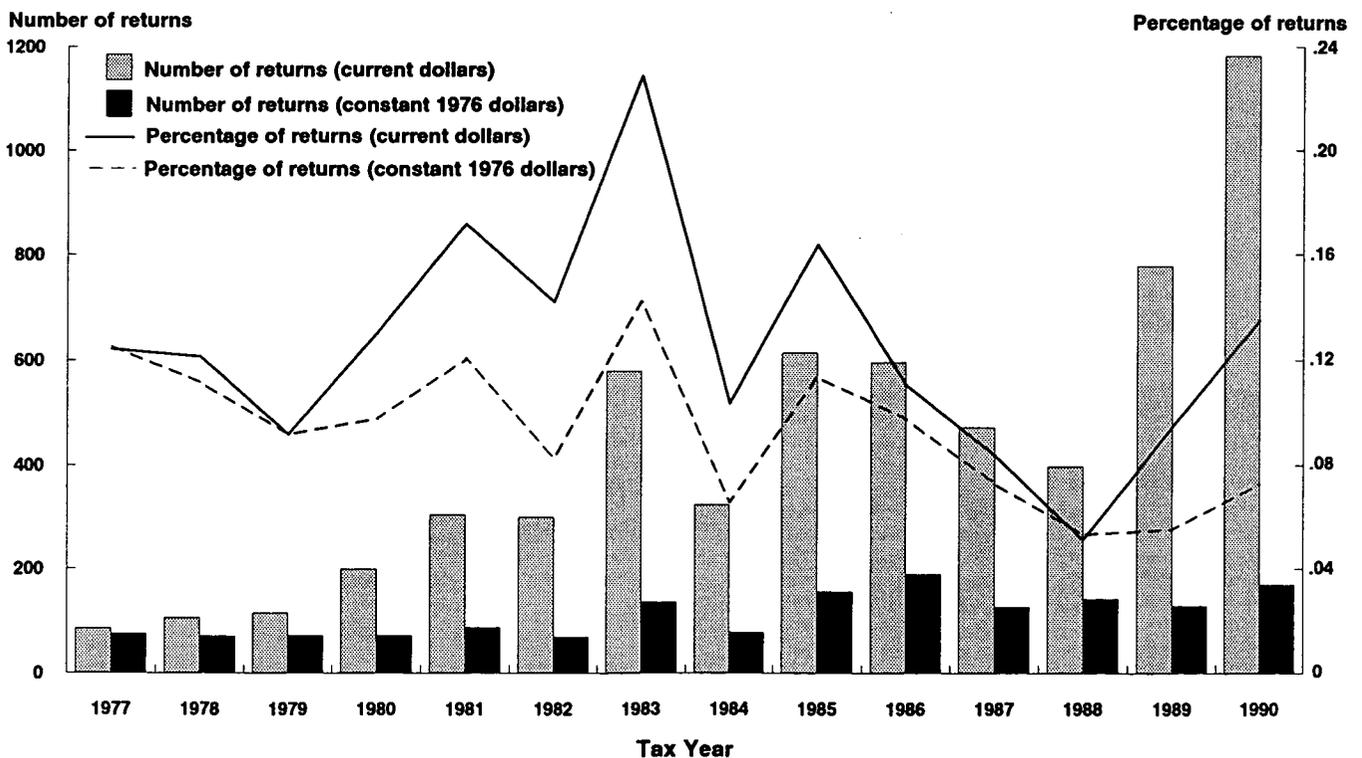
Figures C and D show the number of nontaxable, high-income returns in both current year and constant 1976 dollars, and their proportion of all high-income returns between 1977 and 1990. Figure C is for returns with expanded income of \$200,000 or more and no U.S. income tax liability measured in both current year and constant 1976 dollars. Figure D is for returns with expanded income of \$200,000 or more and no worldwide income tax liability. In both figures, the spread between the two percentage lines is small for the late 1970's, showed an increase for the early 1980's, then narrowed before widening again for 1989 and 1990.

### Detailed Data for 1990

Tables 1 through 12 present data based on 1990 income tax returns, mainly those with incomes of \$200,000 or more (measured in current year dollars) of AGI or

**Figure C**

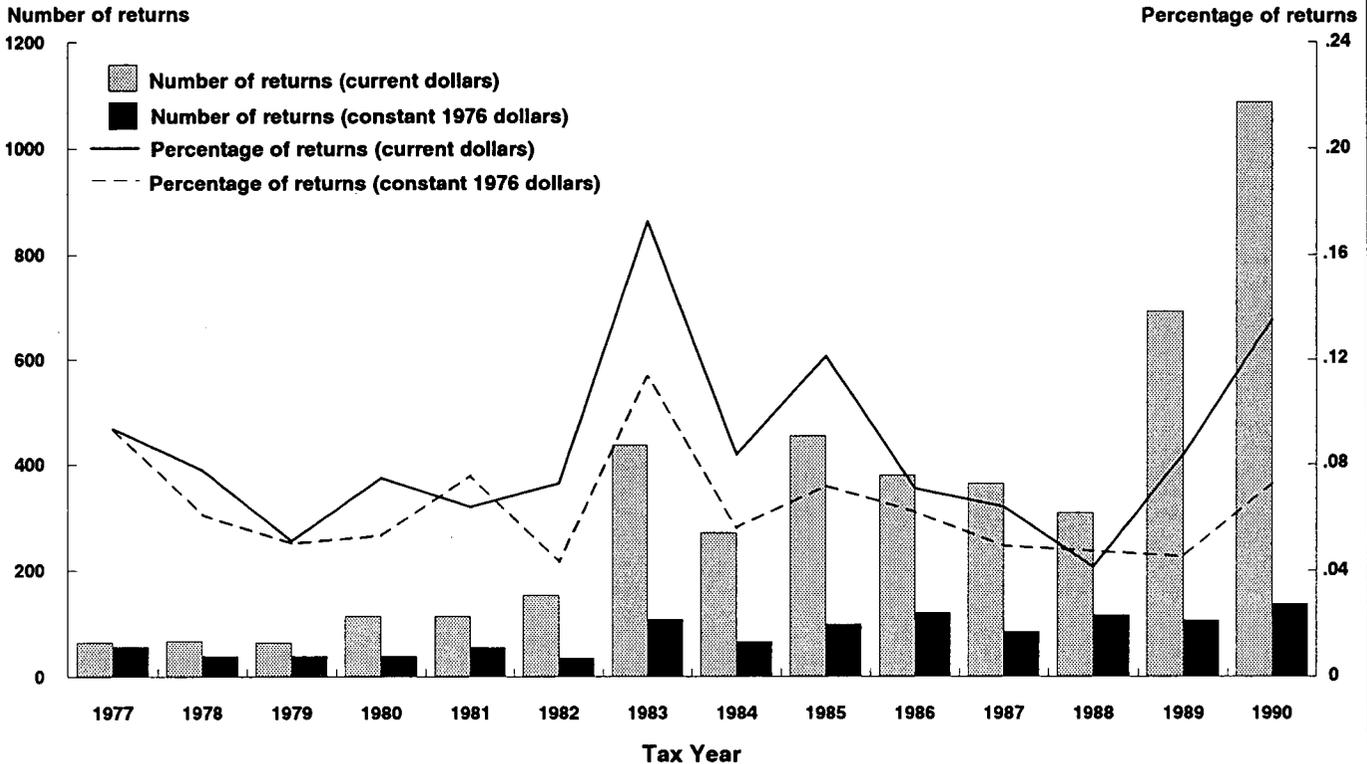
## Number and Percentage of Returns with No U.S. Income Tax and with Expanded Income of \$200,000 or More, Tax Years 1977-1990



# High-Income Tax Returns for 1990

**Figure D**

## Number and Percentage of Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More, Tax Years 1977-1990



expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded income classes (Tables 1 and 2);
- The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two income concepts (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and the second most important items in reducing (or eliminating) income taxes (Tables 7 and 8);

- The frequencies with which various itemized deductions, tax credits, and preferences occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income classes (Tables 11 and 12).

Tables 1,3,5,7,9, and 11 use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas Tables 2,4,6,8,10, and 12 use the worldwide income tax concept.

### Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross-classified by broad AGI and expanded income size classes. The tables show that most returns fall in the same broad income size class under both income concepts, but that expanded income tends to be a broader measure of income and therefore

## High-Income Tax Returns for 1990

classifies more total and taxable returns in each of the \$50,000-and-over income size classes. However, for nontaxable high-income returns, AGI tends to be a broader measure. For example, Table 1 shows that 1,219 returns with no U.S. income tax had an AGI of \$200,000 or more, and 1,183 returns with no U.S. income tax had an expanded income of \$200,000 or more.

### Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of "adjusted" taxable income (adjusted to reflect tax credits and special tax computations) to AGI or expanded income. Taxable income has been adjusted for these tables by subtracting from taxable income the deduction equivalents of tax credits and other items [9]. The tables illustrate three important facts about high-income tax returns. (The examples in the paragraphs below are drawn from the "expanded income" columns in Table 4.)

- As already described, only a small proportion of high-income taxpayers were able to escape all income taxes (0.126 percent).
- Another group of high-income taxpayers--also a small group, but larger than the nontaxable group--was able to offset a very substantial fraction of its income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called "nearly nontaxables." (About 0.8 percent of high expanded-income taxpayers were able to reduce their taxable income to less than 25 percent of their expanded income.)
- Overall, a large portion of high-income taxpayers were subject to tax on a large share of their income and reported very substantial amounts of tax. (About 65 percent had taxable income exceeding 80 percent of expanded income. Over 95 percent had taxable income of more than 50 percent of expanded income.)

Tables 11 and 12 present another way of showing the distributions of tax returns: by tax burden. These two tables classify all tax returns by both the size of income and the effective tax rate, i.e., income tax as a percentage of income. These tables show that, on average, high-income taxpayers do have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that while 2.4 percent of returns with expanded incomes of \$200,000 or more had either no worldwide

income tax or worldwide income tax of less than 10 percent of expanded income, about 30 percent had effective tax rates exceeding 25 percent. About 93 percent had average tax rates ranging from 15 percent to 30 percent, with 52.4 percent having effective tax rates between 20 and 25 percent and 29.2 percent having rates between 25 and 30 percent.

### Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns, under both income concepts, are much more likely to have sizable partnership and S Corporation losses than are taxable returns [10], but they are much less likely to have any income from wages and salaries.

### Reasons for Nontaxability

It is possible for certain itemized deductions and certain exclusions from income to cause nontaxability by themselves, but high-income returns are more often nontaxable as a result of a combination of reasons, no one of which by itself would result in nontaxability. Moreover, some items which singly or in combination may eliminate regular tax liability cannot eliminate an AMT liability since these items give rise to offsetting adjustments or preferences for AMT purposes.

Because they do not generate AMT adjustments or preferences, tax-exempt bond interest, itemized deductions for interest expense, miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor, moving expenses, casualty or theft losses, and medical expenses (exceeding 10 percent of AGI) can, by themselves, produce nontaxability [11].

Due to the AMT exclusion of \$40,000 on joint returns (\$30,000 on single and head-of-household returns and \$20,000 on returns of married taxpayers filing separately), a return could be nontaxable even though it included some items which produced AMT adjustments or preferences [12]. Further, since the starting point for AMT income is taxable income for regular tax purposes, a taxpayer could have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation occurs if taxable income for regular tax purposes was sufficiently negative, as a result of itemized deductions and personal exemptions exceeding AGI, that the taxpayer's AMT adjustments and preferences were less than the sum of the AMT exclusion and the amount by

## High-Income Tax Returns for 1990

which regular taxable income was below zero. Note that because of the AMT, taxpayers may have found it beneficial to report additional deduction items on their tax returns, even if the items did not produce a benefit for regular tax purposes.

Tables 7 and 8 classify tax returns by the items that had the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects have been identified, the tables show each of the second largest effects. For example, on taxable returns with expanded income of \$200,000 or more, the most important item in reducing the amount of tax reported on 53 percent of the returns was the itemized deduction of State and local taxes; for these returns, the itemized deduction for interest payments was the second most important reason 48 percent of the time, and the deduction for charitable contributions was the second reason 42 percent of the time (Table 8). Conversely, on nontaxable returns (with no worldwide income tax), the itemized deduction for medical and dental expenses was the most important item 39 percent of the time. Where this was the primary item, the deduction for charitable contributions was the second most important item 88 percent of the time, and the taxes paid deduction was the second most important item 6 percent of the time.

The four categories which most frequently had the largest effect in reducing taxes for nontaxable, high expanded-income returns were: the itemized deduction for medical and dental expenses (387 returns, or 39.3 percent of the 985 returns with expanded income of \$200,000 or more and with no worldwide tax liability); the charitable contributions deduction (327 returns or 33.2 percent); net losses from partnerships or S Corporations (137 returns or 13.9 percent); and the itemized deduction for interest paid (56 returns or 5.7 percent). Note that the net losses from partnerships and S Corporations reduce AGI; the other three items reduce "taxable income." The two items which most frequently had the second largest effect in reducing "regular tax" liability, i.e., income tax excluding AMT, were the total for miscellaneous deductions, and the deduction for charitable contributions.

Tables 9 and 10 represent another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability. Tables 9 and 10 show the number of times that various items reduced income by different fractions of income. The items shown are the various categories of itemized deductions, the deduction equivalents of two different types of tax credits, and total tax preferences excluded from income. For example, for high

expanded-income returns with no worldwide income tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 28 of the 1,087 returns, but there was no casualty or theft loss deduction on 1,042 returns. The total interest paid deduction exceeded total expanded income on 20 returns and was between 70 percent and 100 percent of expanded income on an additional 30 returns.

### Notes and References

- [1] The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).
- [2] Lerman, Allen H., "High-Income Tax Returns: 1974 and 1975, A Report on High-Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability," U.S. Department of Treasury, Office of Tax Analysis, March 1977, and "High-Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns," U.S. Department of Treasury, Office of Tax Analysis, August 1978.

U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income--Individual Income Tax Returns*, for 1977 through 1982 and 1985 through 1988. (For 1977 and 1978, only the number of nontaxable, high-AGI returns were published.)

Lerman, Allen H., "High-Income Tax Returns, 1983," *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4, pp. 31-61, and "High-Income Tax Returns, 1984," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 1-29.

"High-Income Tax Returns, 1989," *Statistics of Income Bulletin*, Spring 1993, Volume 12, Number 4, pp. 23-50.

- [3] The 1976 Act specified four income concepts for classifying tax returns: adjusted gross income (AGI), expanded income, AGI plus excluded preferences, and AGI less investment interest not in excess of investment income. Section 441 of the Deficit Reduction Act of 1984 (90 Stat. at 815) eliminated the requirement for using the last two income concepts.
- [4] The definition of adjustments to AGI to obtain the expanded income given in the text is for 1990. See Appendix A for a discussion of AGI and expanded income, and a list of adjustments covering all years since 1977.

## High-Income Tax Returns for 1990

- [5] The price deflator used was the consumer price index (CPI) for all items as reported in Table B-56, page 361 of the 1992 *Economic Report of the President*.
- [6] See Appendix B for a discussion of the tax concepts. In data published previous to Tax Year 1989, either in articles presented in the *Statistics of Income Bulletin* or in chapters in *Statistics of Income - Individual Income Tax Returns* (see footnote 2), the "U.S. income tax" concept was described as "total income tax," and the "worldwide income tax" concept was described as "modified total income tax."
- [7] The inclusion of foreign taxes paid on excluded foreign earned income, beginning with Tax Year 1990, represents an improvement in the worldwide income tax concept. It does, however, represent a slight break in the comparability of data for worldwide income tax. (The number of returns with foreign taxes paid on excluded foreign earned income is extremely small compared to the number of returns with the foreign tax credit.)
- [8] Beginning with Tax Year 1991, nontaxable returns with expanded incomes of \$200,000 or more will be sampled at higher rates for *Statistics of Income*, which will reduce the sampling variability of these returns.
- [9] See Appendix B for a description of how the deduction equivalent of credits was computed.
- [10] S Corporations are generally small corporations having no more than 35 shareholders. These companies elect to be taxed at the shareholder level.
- [11] The deduction for charitable contributions would also fall into this class were it not limited to 50 percent of AGI.
- [12] The AMT exclusion phases out above a certain level of "alternative minimum taxable income," but since taxpayers will have some AMT liability in the phaseout range, the phaseout income is not relevant for nontaxable returns.

### Appendix A: Income Concepts

The Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. In order to derive such an income concept, it is

necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

This Appendix begins by defining "Haig-Simons income," a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between the two income concepts listed. The final section defines "expanded income," the more comprehensive income measure than AGI based entirely on tax return data.

#### Haig-Simons Income

The broadest measure of annual income generally used by economists and others is defined as the value of a household's consumption plus the change, if any, in its net worth. This income concept is referred to as Haig-Simons income, or H-S income, after the two economists who wrote extensively about it [A1]. The H-S income of a household that consumed \$25,000 and saved \$2,000 in a year would be \$27,000. Alternatively, the H-S income of a household that consumed \$25,000 and had no additions to savings but had assets that declined in value by \$1,000 in a year would be \$24,000.

H-S income consists of three broad components: labor income, capital income (income from assets), and income from transfer payments. The major elements of each of these three components are as follows:

- *Labor income* - This includes all forms of employee compensation, including wages and salaries; employee fringe benefits, such as employer-provided health insurance and accrued pension benefits or contributions; and the employer share of payroll taxes, such as social security taxes. Labor income also includes the labor share of self-employment income. Expenses of earning labor income would be deducted in arriving at H-S income. Deferred labor income, such as pension benefits, would be counted in the year it was earned, rather than in the year it was received.
- *Capital income* - This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms, and is net of real eco-

## High-Income Tax Returns for 1990

conomic depreciation and all other expenses (which could exceed capital income).

- *Transfer payments* - These include payments in cash (such as social security benefits, workers' compensation, unemployment benefits, aid for dependent children (AFDC), and noncash benefits (such as Medicare, Medicaid, and food stamps).

For purposes of tax analysis, H-S income should be measured on a pre-tax basis, the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax, and so are reported on a pre-tax basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local Government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference being approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an "implicit tax," and tax-exempt interest as reported is measured on an after-tax, rather than a pre-tax, basis. Income from all tax-preferred sources should be grossed up by implicit taxes to properly measure H-S income.

### **Adjusted Gross Income**

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and deductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not "grossed up" for implicit taxes.

The components of H-S income excluded from AGI include most employee fringe benefits, the employer share of payroll taxes, accrued but deferred employee compensation, accrued but unrealized real capital gains, the rental value of consumer durables, most social security benefits and most other cash transfers, all noncash transfers, and the real income of borrowers due to inflation [A2].

Depreciation and certain other expenses allowed in determining AGI may be accelerated (relative to economic depreciation and other costs) in the early years of an investment, thus understating investment income. In later years, however, investment income in AGI will be overstated because depreciation and other accelerated expenses will then be understated. AGI also excludes contributions to individual retirement arrangements (IRA's) and self-

employed retirement plans (Keogh's), which are not expenses related to earning income.

AGI generally *exceeds* H-S income to the extent expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible *from* AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then in some cases only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions include certain expenses of employees (such as union dues; expenditures for items used on-the-job but not reimbursed by the employer; and the employees' travel, meal, and entertainment expenses); job-related moving expenses; and expenses attributable to a taxpayer's investments (as opposed to the active operation of a trade or business) including, but not limited to, interest expense incurred in connection with investments in securities. Note that there are limits on certain types of deductible expenses. In particular, deductible meals and entertainment expenses are limited to 80 percent of total meal and entertainment expenses. Job-related moving expenses such as temporary quarters, and expenses of selling the old home are also limited.

Although net capital losses reduce economic income, only the first \$3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years.

AGI can also exceed H-S income because of differences in the timing of income between the two concepts. For example, a taxpayer may realize more capital gains in a year than he or she accrues in capital gains. Since AGI includes only realizations of capital gains whereas H-S income includes only accruals, AGI in this circumstance would exceed H-S income.

Finally, just as AGI understates the income of borrowers due to inflation, it overstates the income of lenders, which include bond owners and owners of bank deposits.

### **Expanded Income**

Expanded income is meant to be a measure of income that is conceptually closer to H-S income than AGI, but which is derived entirely from items already reported on income tax returns. Figure E shows the adjustments made to AGI to arrive at expanded income. Since the definition of AGI has been changed by legislation several times since 1977, and certain reporting requirements have also changed, the adjustments have differed over the years, as indicated for each item [A3]. Most of these adjustments are relatively straightforward, but the adjustment for investment requires some explanation.

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## Figure E

### Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977 - 1990

"Adjusted gross income (AGI)"	
PLUS:	<input type="checkbox"/> Excluded capital gains (tax years prior to 1987)
	<input type="checkbox"/> Tax-exempt interest (1987 and later tax years)
	<input type="checkbox"/> Nontaxable social security benefits (1987 and later tax years)
	<input type="checkbox"/> Tax preferences for alternative minimum tax purposes [A4]
	<input type="checkbox"/> Foreign earned income exclusion (Tax Year 1990)
MINUS:	<input type="checkbox"/> Unreimbursed employee business expenses [A5]
	<input type="checkbox"/> Nondeductible rental losses (Tax Year 1987)
	<input type="checkbox"/> Moving expense deduction (1987 and later tax years) [A6]
	<input type="checkbox"/> Investment interest expense to the extent it does not exceed investment income
	<input type="checkbox"/> Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)
EQUALS:	<input type="checkbox"/> "Expanded Income"

### Investment Interest

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses in excess of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in *understating* income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable

assets. As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest is taken into account in the calculation of the itemized deduction for interest. Deductible investment interest is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A7]. Beginning with 1987, most of the types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been *defined* as deductible investment interest. Other investment expenses could not be separated from the remainder of "miscellaneous" deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do *not* exceed investment income, they are generally allowed as a deduction in the computation of deductible investment interest and thus expanded income. Investment interest expenses which do *exceed* investment income are *not* deductible in calculating expanded income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may *overstate* income by disallowing genuine investment losses.

### Notes to Appendix A

- [A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.
- [A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest payments overstate interest costs because part of these payments represents a return of principal to the lender, rather than interest.
- [A3] For 1977, 50 percent of long-term capital gains were included in AGI. During 1978, the inclusion

## High-Income Tax Returns for 1990

ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and thus this adjustment was not made in computing expanded income for returns for years after 1986.

From this time forward, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local Government bonds. Since 1987, tax-exempt interest has been included in expanded income.

Taxpayers are also required to report social security benefits. Since 1988, nontaxable social security benefits have been included in expanded income. The subtraction of unreimbursed employee business expense and the moving expense deduction is to make the concept of expanded income comparable to years prior to 1987.

Due to subtracting non-limited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. The expanded income concept for 1990 is not strictly comparable to expanded income for 1989 because of the addition of the foreign earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications enumerated in footnote 2, under Notes and References.

- [A4] The "tax preferences" (obtained from Form 6251, *Alternative Minimum Tax Computation*) excluded from adjusted gross income and tabulated in Tables 5 and 6 include the following items: the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease (for property placed in service before 1987); the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the appreciated portion of the value of property contributed to charitable organizations; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceed the otherwise allowable amortization deductions. Preferences obtained through itemized

deductions do not represent omitted income; hence, they have not been counted as preference items in calculating a broader measure of income. The preference from tax-exempt interest on certain private activity bonds was not included since the interest for all tax-exempt State and local Government bonds is considered to be omitted income. Specific details on the tax preference items obtained from Form 6251 for earlier years are available in the reports and publications enumerated in footnote 2 under Notes and References.

- [A5] Deductible meal and entertainment expenses are limited to 80 percent of total meal and entertainment expenses, beginning with Tax Year 1987.
- [A6] Certain moving expenses such as expenses for temporary quarters and expenses of selling the old home are limited.
- [A7] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from certain small business corporations, only the net amounts of which are included in adjusted gross income.

### Appendix B: Tax Concepts

This Appendix provides a brief summary of the U.S. taxation of worldwide income and the foreign tax credit. The two tax concepts used in the article are then defined. The following section explains the computation of the deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

### U.S. Taxation of Worldwide Income and the Foreign Tax Credit

Citizens and residents of the United States, regardless of where they reside, must generally include in income for Federal income tax purposes income from all geographic sources. Thus, for example, dividends and interest received from a foreign corporation or income earned working abroad is subject to Federal income tax in the same manner as income received from sources inside the United States [ B1]. Income from sources outside the United States may also be subject to tax by foreign governments.

To reduce, if not eliminate, the possibility of double taxation of the foreign source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to foreign governments. This foreign tax credit is generally limited to the amount of (pre-credit)

U.S. tax liability attributable to foreign-source income. This limit prevents the foreign tax credit from offsetting the U.S. tax on U.S. source income.

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources (the taxpayer may live abroad the entire year and have no income-producing assets in the United States), or if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources, and pays income taxes to a foreign government that are comparable to the U.S. tax [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. That is particularly true for tax filers who appear to be nontaxable because they do not have any U.S. tax liability but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes -- U.S. as well as foreign. Thus, a second tax concept "Worldwide Income Tax" has been used in addition to the traditional "U.S. Income Tax."

### Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., they show an income tax liability) or nontaxable (i.e., they do not show an income tax liability) and to measure the tax burdens on taxable returns: "U.S. Income Tax" and "Worldwide Income Tax." Worldwide income tax is defined for purposes of this article as U.S. income taxes plus the amount of foreign tax credits reported on the U.S. income tax return and foreign taxes paid on excluded foreign earned income (obtained from Form 1116). The amount of the foreign tax credits and foreign taxes paid on excluded foreign earned income is used as a proxy for foreign tax liabilities [B3]. The relationship of U.S. income tax to tax items reported on individual income tax returns, and to worldwide income tax is shown in Figure F.

### Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the

**Figure F**

### Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 1990

Tax at normal rates (tax generated)	
PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
EQUALS:	Income tax before credits
PLUS:	Alternative minimum tax (Form 6251)
MINUS:	Tax credits (except the earned income credit)
EQUALS:	"U.S. Income Tax"
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign earned income (Form 1116)
EQUALS:	Worldwide Income Tax

different types of items must be placed on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit or special computation. This amount is called the "deduction equivalent" of the tax credit or special computation.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using the ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield income tax before credits" and "taxable income which would yield income tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax rate bracket.

The deduction equivalents of tax credits shown in Tables 9 and 10 were computed by assuming that deductions and exclusions reduce taxes before credits. As a

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result, the deduction equivalent of tax credits may be overstated.

### Unaudited Data

Tax return data used for Statistics of Income have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that may be made in the future as a result of IRS audits. While this is true of data throughout the entire Statistics of Income program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

### Notes to Appendix B

- [B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.
- [B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, may completely offset their pre-credit U.S. income tax liability with their foreign tax credit.
- [B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate or understate worldwide taxes on current year income.

# High Income Tax Returns, 1990

**Table 1.—Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income and by Tax Liability**

[All figures are estimates based on samples]

Size of expanded income	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>					
Total.....	113,717,138	96,332,376	14,220,244	2,329,562	834,957
Under \$50,000.....	95,970,036	95,571,236	394,021	3,896	883
\$50,000 under \$100,000.....	14,494,901	741,917	13,641,788	110,724	473
\$100,000 under \$200,000.....	2,391,262	19,040	181,056	2,167,910	23,256
\$200,000 or more.....	860,940	183	3,380	47,032	810,345
<b>Returns with U.S. income tax <sup>1</sup></b>					
Total.....	92,542,013	75,186,303	14,196,474	2,325,498	833,738
Under \$50,000.....	74,862,833	74,469,158	391,220	2,074	381
\$50,000 under \$100,000.....	14,433,613	700,894	13,622,058	110,330	331
\$100,000 under \$200,000.....	2,385,810	16,235	180,077	2,166,415	23,082
\$200,000 or more.....	859,756	*15	3,119	46,678	809,944
<b>Returns without U.S. income tax</b>					
Total.....	21,175,126	21,146,073	23,770	4,064	1,219
Under \$50,000.....	21,107,203	21,102,078	2,801	1,822	502
\$50,000 under \$100,000.....	61,288	41,023	19,730	*394	142
\$100,000 under \$200,000.....	5,452	2,804	*979	1,495	174
\$200,000 or more.....	1,183	168	*261	*354	401

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Returns with U.S. income tax include returns on which income tax was entirely offset by the earned income credit.

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

# High Income Tax Returns, 1990

**Table 2.--Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income and by Tax Liability**

[All figures are estimates based on samples]

Size of expanded income	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>					
<b>Total.....</b>	<b>113,717,138</b>	<b>96,332,376</b>	<b>14,220,244</b>	<b>2,329,562</b>	<b>834,957</b>
Under \$50,000.....	95,970,036	95,571,236	394,021	3,896	883
\$50,000 under \$100,000.....	14,494,901	741,917	13,641,788	110,724	473
\$100,000 under \$200,000.....	2,391,262	19,040	181,056	2,167,910	23,256
\$200,000 or more.....	860,940	183	3,380	47,032	810,345
<b>Returns with worldwide income tax <sup>1</sup></b>					
<b>Total.....</b>	<b>92,565,018</b>	<b>75,207,603</b>	<b>14,197,715</b>	<b>2,325,657</b>	<b>833,843</b>
Under \$50,000.....	74,878,051	74,484,372	391,220	2,074	384
\$50,000 under \$100,000.....	14,440,533	706,799	13,623,071	110,330	333
\$100,000 under \$200,000.....	2,386,581	16,616	180,306	2,166,574	23,086
\$200,000 or more.....	859,852	*15	3,119	46,678	810,040
<b>Returns without worldwide income tax</b>					
<b>Total.....</b>	<b>21,152,121</b>	<b>21,124,573</b>	<b>22,529</b>	<b>3,905</b>	<b>1,114</b>
Under \$50,000.....	21,091,985	21,086,864	2,801	1,822	499
\$50,000 under \$100,000.....	54,368	35,118	18,717	*394	140
\$100,000 under \$200,000.....	4,680	2,424	*750	1,336	170
\$200,000 or more.....	1,087	168	*261	*354	305

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Returns with worldwide income tax include returns on which income tax was entirely offset by the earned income credit.

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

# High Income Tax Returns, 1990

**Table 3.--Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept**

[All figures are estimates based on samples]

Specified item	Adjusted gross income			Expanded income		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b> .....	<b>834,957</b>	<b>100.0</b>	<b>-</b>	<b>860,940</b>	<b>100.0</b>	<b>-</b>
<b>Returns without U.S. income tax</b> .....	<b>1,219</b>	<b>0.1</b>	<b>-</b>	<b>1,183</b>	<b>0.1</b>	<b>-</b>
<b>Returns with U.S. income tax:</b>						
<b>Total</b> .....	<b>833,738</b>	<b>99.9</b>	<b>100.0</b>	<b>859,756</b>	<b>99.9</b>	<b>100.0</b>
<b>Ratio of adjusted taxable income to income per concept:</b>						
Under 5 percent.....	442	0.1	0.1	754	0.1	0.1
5 under 10 percent.....	1,393	0.2	0.2	3,275	0.4	0.5
10 under 15 percent.....	1,618	0.2	0.4	3,505	0.4	0.9
15 under 20 percent.....	1,726	0.2	0.6	3,219	0.4	1.3
20 under 25 percent.....	1,020	0.1	0.7	3,555	0.4	1.7
25 under 30 percent.....	2,316	0.3	1.0	5,151	0.6	2.3
30 under 35 percent.....	2,388	0.3	1.3	5,147	0.6	2.9
35 under 40 percent.....	1,891	0.2	1.5	6,717	0.8	3.6
40 under 45 percent.....	4,301	0.5	2.1	8,239	1.0	4.6
45 under 50 percent.....	5,483	0.7	2.7	9,487	1.1	5.7
50 under 60 percent.....	22,974	2.8	5.5	33,396	3.9	9.6
60 under 70 percent.....	59,803	7.2	12.6	65,203	7.6	17.2
70 under 80 percent.....	153,253	18.4	31.0	166,607	19.4	36.6
80 percent or more.....	575,130	69.0	100.0	545,501	63.4	100.0

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

# High Income Tax Returns, 1990

**Table 4.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept**

[All figures are estimates based on samples]

Specified item	Adjusted gross income			Expanded income		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total.....</b>	<b>834,957</b>	<b>100.0</b>	<b>-</b>	<b>860,940</b>	<b>100.0</b>	<b>-</b>
<b>Returns without worldwide income tax.....</b>	<b>1,114</b>	<b>0.1</b>	<b>-</b>	<b>1,087</b>	<b>0.1</b>	<b>-</b>
<b>Returns with worldwide income tax:</b>						
<b>Total.....</b>	<b>833,843</b>	<b>99.9</b>	<b>100.0</b>	<b>859,852</b>	<b>99.9</b>	<b>100.0</b>
<b>Ratio of adjusted taxable income to income per concept:</b>						
Under 5 percent.....	360	( <sup>1</sup> )	( <sup>1</sup> )	58	( <sup>1</sup> )	( <sup>1</sup> )
5 under 10 percent.....	650	0.1	0.1	262	( <sup>1</sup> )	( <sup>1</sup> )
10 under 15 percent.....	336	( <sup>1</sup> )	0.2	2,049	0.2	0.3
15 under 20 percent.....	665	0.1	0.2	1,682	0.2	0.5
20 under 25 percent.....	417	0.1	0.3	2,444	0.3	0.8
25 under 30 percent.....	1,622	0.2	0.5	4,345	0.5	1.3
30 under 35 percent.....	1,603	0.2	0.7	4,286	0.5	1.8
35 under 40 percent.....	1,608	0.2	0.9	5,955	0.7	2.5
40 under 45 percent.....	3,749	0.4	1.3	7,311	0.9	3.3
45 under 50 percent.....	4,868	0.6	1.9	8,677	1.0	4.3
50 under 60 percent.....	21,819	2.6	4.5	33,274	3.9	8.2
60 under 70 percent.....	57,960	7.0	11.5	63,872	7.4	15.6
70 under 80 percent.....	152,308	18.3	29.7	167,370	19.5	35.1
80 percent or more.....	585,877	70.3	100.0	558,268	64.9	100.0

<sup>1</sup> Less than 0.05 percent.

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

# High Income Tax Returns, 1990

**Table 5.—Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax by Tax Status**

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

Item	Returns with adjusted gross income of \$200,000 or more											
	Total		Returns with U.S. income tax		Returns without U.S. income tax		Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	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)	(11)	(12)
Salaries and wages.....	690,713	190,653,025	690,008	190,528,617	705	124,407	693,330	190,112,538	693,013	190,048,966	318	63,572
Business or profession:												
Net income.....	192,293	25,746,408	192,037	25,724,153	256	22,255	194,830	25,797,703	194,749	25,785,352	81	12,352
Net loss.....	57,415	1,613,302	57,194	1,574,067	221	39,235	56,548	1,616,564	56,232	1,593,169	316	23,395
Farm:												
Net income.....	13,561	929,709	13,538	928,728	23	981	13,648	915,004	13,636	914,303	12	701
Net loss.....	27,040	1,245,127	26,978	1,230,179	62	14,948	28,118	1,306,251	27,979	1,257,334	139	48,917
Partnership and S Corporation net income after section 179 property deduction:												
Net income.....	329,351	70,409,641	329,138	70,379,269	213	30,372	334,783	70,479,140	334,678	70,458,179	105	20,961
Net loss.....	233,042	11,464,490	232,299	10,833,107	743	631,383	238,584	10,948,744	238,055	10,685,911	529	262,833
Sales of capital assets:												
Net gain.....	418,981	68,256,150	418,278	67,881,032	703	375,118	441,360	68,504,027	440,697	68,424,927	663	79,100
Net loss.....	208,604	498,907	208,243	497,888	361	1,019	212,947	510,800	212,539	509,613	408	1,187
Sales of property other than capital assets:												
Net gain.....	58,458	1,693,539	58,347	1,678,328	111	15,211	58,734	1,671,344	58,704	1,663,814	30	7,530
Net loss.....	78,598	768,606	78,383	747,764	215	20,842	78,692	722,345	78,587	710,686	105	11,659
Taxable interest received.....	828,644	41,612,209	827,460	40,870,234	1,184	741,975	854,336	41,793,978	853,174	41,472,379	1,162	321,599
Tax-exempt interest.....	325,963	14,081,099	325,607	14,026,473	356	54,626	365,831	17,700,078	364,884	17,461,358	947	238,720
Dividends.....	659,379	24,827,203	658,441	24,728,877	938	100,326	688,029	26,065,156	686,974	25,958,646	1,056	106,511
Pensions and annuities in adjusted gross income.....	142,440	5,306,414	142,267	5,298,144	173	8,270	159,139	5,740,836	158,778	5,736,061	351	4,775
Rent:												
Net income.....	167,594	6,605,808	167,339	6,576,150	255	29,658	173,003	6,685,673	172,919	6,680,939	84	4,734
Net loss (deductible and nondeductible).....	184,058	3,353,337	183,656	3,311,240	402	42,097	187,060	3,108,311	186,637	3,093,817	423	14,494
Total nondeductible rental loss.....	137,451	2,184,281	137,132	2,156,407	319	27,874	139,111	1,965,939	138,975	1,957,611	137	8,328
Royalty:												
Net income.....	72,349	1,888,414	72,182	1,882,483	167	5,931	77,792	1,984,650	77,477	1,975,742	315	8,907
Net loss.....	4,135	33,564	4,122	33,439	13	125	4,126	33,448	4,123	33,440	3	8
Estate or trust:												
Net income.....	39,408	2,537,427	39,324	2,532,073	84	5,354	44,863	2,599,245	44,820	2,594,876	43	4,369
Net loss.....	7,532	104,206	7,485	101,317	47	2,889	7,824	104,181	7,548	95,327	277	8,854
State income tax refunds.....	397,503	2,321,369	396,991	2,307,622	512	13,748	405,934	2,342,702	405,724	2,335,204	210	7,498
Windfall profit tax refunds.....	-	-	-	-	-	-	-	-	-	-	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-	-	-	-	-	-	-
Alimony received.....	1,535	85,091	1,535	85,091	-	-	1,452	84,042	1,452	84,042	-	-
Social security benefits in adjusted gross income.....	†	†	†	†	210	1,368	144,411	1,047,908	143,697	1,042,270	714	5,639
Social security benefits (nontaxable).....	117,208	825,589	116,998	824,221	210	1,368	144,414	1,047,974	143,700	1,042,335	714	5,639
Unemployment compensation.....	5,173	16,440	5,168	16,422	5	17	4,656	14,559	†	†	†	†
Other income.....	192,871	7,649,007	192,493	7,606,443	378	42,564	195,615	7,374,662	195,226	7,365,541	389	9,121
Other loss.....	10,511	385,410	10,452	374,536	59	10,874	12,968	464,306	12,946	462,055	22	2,251
Foreign earned income exclusion.....	6,476	438,441	6,435	435,541	41	2,900	12,716	925,061	12,677	922,284	39	2,777
Total income.....	834,957	433,940,008	833,738	433,249,535	1,219	690,474	860,940	435,940,329	859,756	435,655,266	1,183	285,063
Statutory adjustments, total.....	352,062	4,117,128	351,600	4,110,125	462	7,003	357,864	4,165,138	357,657	4,163,103	206	2,036
Payments to an IRA.....	85,213	253,522	85,158	253,383	55	139	85,974	253,969	85,933	253,879	42	90
Payments to a Keogh plan.....	103,605	2,170,459	103,578	2,169,808	27	651	104,992	2,214,806	104,983	2,214,603	9	203
Adjusted gross income.....	834,957	429,822,880	833,738	429,139,409	1,219	683,471	860,940	431,775,191	859,756	431,492,164	1,183	283,027
Investment interest.....	284,064	7,223,492	283,093	6,586,241	971	637,251	280,923	5,968,413	280,439	5,866,741	484	101,672
Total tax preferences excluded from adjusted gross income.....	378,781	16,760,034	378,315	16,700,224	468	59,810	417,951	20,588,131	416,973	20,338,314	977	249,817
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	120,831	2,516,787	120,649	2,512,036	182	4,751	126,947	2,661,318	126,606	2,651,933	341	9,384
Passive activity loss (alternative minimum tax adjustment).....	357,174	1,039,996	356,731	1,043,021	443	-3,025	365,847	994,353	365,486	997,004	461	-2,651
Expanded income.....	834,952	438,756,575	833,738	438,677,514	1,214	-79,061	860,940	446,983,274	859,756	446,545,865	1,183	437,409

# High Income Tax Returns, 1990

**Table 5.—Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax by Tax Status—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income of \$200,000 or more						Returns with expanded income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax		Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	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)	(11)	(12)
Exemption amount.....	833,873	5,110,526	†	†	†	†	859,857	5,189,167	858,674	5,184,353	1,183	4,814
Itemized deductions:												
Total per adjusted gross income concept.....	816,097	63,511,309	814,916	62,573,929	1,181	937,380	837,375	62,150,757	836,397	61,807,576	978	343,181
Total per income concept.....	816,097	63,511,309	814,916	62,573,929	1,181	937,380	837,259	55,132,415	†	†	†	†
Contributions deduction.....	792,274	11,634,522	791,215	11,574,096	1,059	60,427	811,779	11,922,480	810,844	11,851,130	935	71,350
Interest paid deduction:												
Total per adjusted gross income concept.....	721,315	21,259,701	720,202	20,554,871	1,113	704,830	727,933	19,741,547	727,333	19,812,007	600	129,540
Total per income concept.....	721,315	21,259,701	720,202	20,554,871	1,113	704,830	692,196	13,773,134	691,891	13,745,266	304	27,868
Total home mortgage interest deduction.....	625,266	13,572,688	624,401	13,509,552	865	63,137	625,780	13,320,502	625,545	13,295,609	235	24,893
Medical and dental expense deduction.....	11,734	341,261	11,636	324,397	98	16,864	15,045	406,777	14,383	356,821	662	49,956
Net casualty or theft loss deduction.....	401	45,716	349	11,348	52	34,367	397	44,257	351	12,417	46	31,840
Taxes paid deduction.....	811,923	27,209,467	810,799	27,148,568	1,124	60,899	832,500	27,373,239	831,541	27,338,666	958	34,573
Net limited miscellaneous deductions per adjusted gross income concept.....	120,759	2,284,611	120,234	2,253,428	525	31,183	124,813	2,189,714	124,028	2,165,579	784	24,135
Non-limited miscellaneous deductions.....	20,447	472,240	20,360	443,589	87	28,651	18,318	241,366	18,303	239,729	15	1,636
Moving expense deduction.....	23,906	263,792	23,899	263,632	7	160	23,070	231,376	23,064	231,225	6	151
Excess of exemptions and deductions over adjusted gross income.....	1,649	435,924	589	125,500	1,060	310,423	1,455	190,102	399	75,518	1,056	114,584
Taxable income.....	833,306	361,537,326	†	†	†	†	859,482	364,501,994	859,357	364,453,338	125	48,656
Tax at normal rates.....	833,313	102,293,964	833,151	102,280,029	162	13,935	859,485	103,087,541	859,360	103,073,790	125	13,751
Income tax before credits.....	833,318	102,676,171	833,156	102,662,236	162	13,935	859,489	103,487,411	859,364	103,473,660	125	13,751
Tax credits:												
Total.....	185,412	1,427,251	185,250	1,413,315	162	13,935	198,879	1,566,061	198,754	1,552,310	125	13,751
Child care credit.....	35,352	19,106	35,347	19,101	5	5	34,146	18,383	34,142	18,380	4	4
Minimum tax credit.....	16,367	169,102	16,324	167,579	43	1,522	17,482	174,475	17,455	173,021	27	1,454
Foreign tax credit.....	115,943	1,027,965	115,839	1,015,882	104	12,083	130,565	1,165,556	130,470	1,153,519	95	12,038
Business credit.....	28,547	191,315	28,517	191,061	30	254	28,763	187,770	28,750	187,584	13	186
Alternative minimum tax (Form 6251).....	27,348	472,807	27,348	472,807	-	-	28,167	479,099	28,167	479,099	-	-
Income tax:												
U.S. total income tax.....	833,738	101,721,728	833,738	101,721,728	-	-	859,756	102,400,449	859,756	102,400,449	-	-
Foreign taxes paid.....	-	-	-	-	-	-	-	-	-	-	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116)....	-	-	-	-	-	-	-	-	-	-	-	-
Taxable income which would yield:												
Income tax before credits.....	833,318	366,615,279	833,156	366,565,157	162	50,121	859,489	369,653,262	859,364	369,604,007	125	49,254
Income tax after credits.....	832,719	361,593,707	832,719	361,593,707	-	-	858,622	364,160,956	858,622	364,160,956	-	-
U.S. total income tax.....	833,738	363,276,993	833,738	363,276,993	-	-	859,756	365,865,571	859,756	365,865,571	-	-
Reconciliation of adjusted gross income and expanded income:												
Adjusted gross income.....	834,957	429,822,880	833,738	429,139,409	1,219	683,471	860,940	431,775,191	859,756	431,492,164	1,183	283,027
plus: Total tax preferences excluded from adjusted gross income <sup>1</sup> .....	378,781	16,760,034	378,315	16,700,224	466	59,810	417,951	20,588,131	416,973	20,338,314	977	249,817
Social security benefits (nontaxable).....	117,208	825,589	116,998	824,221	210	1,368	144,414	1,047,974	143,700	1,042,335	714	5,639
Foreign earned income exclusion.....	6,476	438,441	6,435	435,541	41	2,900	12,716	925,061	12,677	922,284	39	2,777
minus: Investment interest.....	284,064	7,223,492	283,093	6,586,241	971	637,251	280,923	5,968,413	280,439	5,866,741	484	101,672
Non-limited miscellaneous deductions.....	20,447	472,240	20,360	443,589	87	28,651	18,318	241,366	18,303	239,729	15	1,636
Moving expense deduction.....	23,906	263,792	23,899	263,632	7	160	23,070	231,376	23,064	231,225	6	151
Unreimbursed employee business expense.....	146,382	1,130,846	146,254	1,128,419	128	2,427	138,743	911,928	138,701	911,536	42	392
equals: Expanded income.....	834,952	438,756,575	833,738	438,677,514	1,214	79,061	860,940	446,983,274	859,756	446,545,865	1,183	437,409

<sup>†</sup> Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

<sup>1</sup> Includes tax exempt interest, total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds), and excluded capital gains on returns for Tax Year 1986 and earlier.

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

# High Income Tax Returns, 1990

**Table 6.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax by Tax Status**

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

Item	Returns with adjusted gross income of \$200,000 or more						Returns with expanded income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax		Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	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)	(11)	(12)
Salaries and wages.....	690,713	190,653,025	690,096	190,556,724	617	96,300	693,330	190,112,538	693,096	190,076,608	235	35,929
Business or profession:												
Net income.....	192,293	25,746,408	192,057	25,728,604	236	17,804	194,830	25,797,703	194,765	25,789,200	65	8,504
Net loss.....	57,415	1,613,302	57,200	1,574,798	215	38,504	56,548	1,616,564	56,236	1,593,763	312	22,801
Farm:												
Net income.....	13,561	929,709	13,540	929,140	21	569	13,648	915,004	13,638	914,715	10	289
Net loss.....	27,040	1,245,127	26,983	1,231,277	57	13,850	28,118	1,306,251	27,984	1,258,432	134	47,819
Partnership and S Corporation net income after section 179 property deduction:												
Net income.....	329,351	70,409,641	329,149	70,386,895	202	22,746	334,783	70,479,140	334,689	70,465,806	94	13,334
Net loss.....	233,042	11,464,490	232,326	10,842,862	716	621,627	238,584	10,948,744	238,074	10,694,274	510	254,470
Sales of capital assets:												
Net gain.....	418,981	68,256,150	418,315	67,892,624	666	363,526	441,360	68,504,027	440,729	68,436,062	631	67,965
Net loss.....	208,604	498,907	208,259	497,931	345	975	212,947	510,800	212,551	509,645	396	1,156
Sales of property other than capital assets:												
Net gain.....	58,458	1,693,539	58,350	1,679,699	108	13,839	58,734	1,671,344	58,707	1,665,186	27	6,158
Net loss.....	78,598	768,606	78,392	747,695	206	20,712	78,892	722,345	78,594	710,796	98	11,549
Taxable interest received.....	828,644	41,612,209	827,548	40,875,943	1,096	736,266	854,336	41,793,978	853,253	41,475,518	1,083	318,460
Tax-exempt interest.....	325,963	14,081,099	325,625	14,027,121	338	53,978	365,831	17,700,078	364,898	17,461,759	933	238,319
Dividends.....	659,379	24,827,203	658,496	24,731,452	883	95,751	688,029	26,065,156	687,022	25,962,809	1,008	102,347
Pensions and annuities in adjusted gross income.....	142,440	5,306,414	142,277	5,298,543	163	7,871	159,130	5,740,836	158,785	5,736,211	344	4,625
Rent:												
Net income.....	167,594	6,605,808	167,352	6,576,494	242	29,314	173,003	6,685,673	172,930	6,681,269	73	4,404
Net loss (deductible and nondeductible).....	184,058	3,353,337	183,683	3,311,919	375	41,418	187,060	3,108,311	186,663	3,094,457	397	13,854
Total nondeductible rental loss.....	137,451	2,184,281	137,153	2,156,923	298	27,358	139,111	1,965,939	138,996	1,958,126	116	7,812
Royalty:												
Net income.....	72,349	1,888,414	72,190	1,883,974	159	4,440	77,792	1,984,650	77,482	1,977,233	310	7,417
Net loss.....	4,135	33,564	4,124	33,446	11	119	4,126	33,448	4,126	33,448	1	1
Estate or trust:												
Net income.....	39,408	2,537,427	39,328	2,532,821	80	4,606	44,863	2,599,245	44,824	2,595,625	39	3,620
Net loss.....	7,532	104,206	7,486	101,378	46	2,828	7,824	104,181	7,548	95,327	277	8,854
State income tax refunds.....	397,503	2,321,369	397,007	2,308,052	496	13,317	405,934	2,342,702	405,735	2,335,423	199	7,279
Windfall profit tax refunds.....	-	-	-	-	-	-	-	-	-	-	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-	-	-	-	-	-	-
Alimony received.....	1,535	85,091	1,535	85,091	-	-	1,452	84,042	1,452	84,042	-	-
Social security benefits in adjusted gross income.....	†	†	†	†	205	1,354	144,411	1,047,908	143,700	1,042,274	711	5,635
Social security benefits (nontaxable).....	117,208	825,589	117,003	824,235	205	1,354	144,414	1,047,974	143,703	1,042,339	711	5,635
Unemployment compensation.....	5,173	16,440	5,168	16,422	5	17	4,656	14,559	4,656	14,559	5	17
Other income.....	192,871	7,649,007	192,509	7,607,985	362	41,022	195,615	7,374,662	195,237	7,366,984	378	7,678
Other loss.....	10,511	385,410	10,465	375,190	46	10,220	12,968	464,306	12,958	462,639	10	1,667
Foreign earned income exclusion.....	6,476	438,441	6,473	438,441	†	†	†	925,061	†	925,061	†	†
Total income.....	834,957	433,940,008	833,843	433,302,036	1,114	637,972	860,940	435,940,329	859,852	435,704,513	1,087	235,816
Statutory adjustments, total.....	352,062	4,117,128	351,625	4,110,552	437	6,576	357,864	4,165,138	357,677	4,163,499	186	1,639
Payments to an IRA.....	85,213	253,522	85,161	253,389	52	133	85,974	253,969	85,936	253,885	39	84
Payments to a Keogh plan.....	103,605	2,170,459	103,582	2,169,852	23	607	104,992	2,214,806	104,986	2,214,645	6	161
Adjusted gross income.....	834,957	429,822,880	833,843	429,191,484	1,114	631,396	860,940	431,775,191	859,852	431,541,013	1,087	234,177
Investment interest.....	284,064	7,223,492	283,126	6,590,195	938	633,297	280,923	5,968,413	280,463	5,868,090	460	100,323
Total tax preferences excluded from adjusted gross income.....	378,781	16,760,034	378,337	16,701,163	444	58,871	417,951	20,588,131	416,991	20,339,007	959	249,124
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	120,831	2,516,787	120,656	2,512,328	175	4,459	126,947	2,661,318	126,613	2,652,225	334	9,092
Passive activity loss (alternative minimum tax adjustment).....	357,174	1,039,996	356,758	1,040,430	416	-433	365,947	994,353	365,511	994,527	438	-175
Expanded income.....	834,952	438,756,575	833,843	438,728,837	1,109	27,738	860,940	446,983,274	859,852	446,596,379	1,087	386,895

# High Income Tax Returns, 1990

**Table 6.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax by Tax Status—Continued**

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

Item	Returns with adjusted gross income of \$200,000 or more						Returns with expanded income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax		Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	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)	(11)	(12)
Exemption amount.....	833,873	5,110,526	†	†	†	†	859,857	5,189,167	858,770	5,184,959	1,087	4,208
Itemized deductions:												
Total per adjusted gross income concept.....	816,097	63,511,309	814,983	62,582,490	1,114	928,819	837,375	62,150,757	836,455	61,812,717	920	338,040
Total per income concept.....	816,097	63,511,309	814,983	62,582,490	1,114	928,819	837,259	55,132,415	†	†	†	†
Contributions deduction.....	792,274	11,634,522	791,266	11,575,176	1,008	59,346	811,779	11,922,480	810,887	11,852,002	892	70,478
Interest paid deduction:												
Total per adjusted gross income concept.....	721,315	21,259,701	720,261	20,560,517	1,054	699,184	727,933	19,741,547	727,383	19,614,777	550	126,771
Total per income concept.....	721,315	21,259,701	720,261	20,560,517	1,054	699,184	692,196	13,773,134	691,934	13,746,687	261	26,447
Total home mortgage interest deduction.....	625,266	13,572,688	624,448	13,511,205	818	61,483	625,780	13,320,502	625,585	13,297,010	195	23,492
Medical and dental expense deduction.....	11,734	341,261	11,636	324,397	98	16,864	15,045	406,777	14,383	356,821	662	49,956
Net casualty or theft loss deduction.....	401	45,716	350	11,504	51	34,212	397	44,257	352	12,573	45	31,684
Taxas paid deduction.....	811,923	27,209,467	810,852	27,149,437	1,071	60,030	832,500	27,373,239	831,586	27,339,310	913	33,929
Net limited miscellaneous deductions per adjusted gross income concept.....	120,759	2,284,611	120,257	2,253,965	502	30,646	124,813	2,189,714	124,048	2,166,073	764	23,641
Non-limited miscellaneous deductions.....	20,447	472,240	20,364	443,716	83	28,524	18,318	241,366	18,305	239,790	13	1,576
Moving expense deduction.....	23,906	263,792	†	†	†	†	23,070	231,376	†	†	†	†
Excess of exemptions and deductions over adjusted gross income.....	1,649	435,924	593	125,975	1,056	309,948	1,455	190,102	400	75,523	1,055	114,579
Taxable income.....	833,306	361,537,326	833,255	†	†	†	859,482	364,501,994	859,452	364,496,276	30	5,718
Tax at normal rates.....	833,313	102,293,964	833,255	102,292,249	58	1,716	859,485	103,087,541	859,455	103,085,958	30	1,583
Income tax before credits.....	833,318	102,676,171	833,260	102,674,456	58	1,716	859,489	103,487,411	859,459	103,485,828	30	1,583
Tax credits:												
Total.....	83,835	399,286	83,777	397,570	58	1,716	84,105	400,504	84,075	398,921	30	1,583
Child care credit.....	35,352	19,106	†	†	†	†	34,146	18,383	†	†	†	†
Minimum tax credit.....	16,367	169,102	16,329	167,668	38	1,434	17,482	174,475	17,458	173,107	24	1,368
Foreign tax credit.....	28,547	191,315	28,521	191,106	26	209	28,763	187,770	28,752	187,625	11	144
Business credit.....	27,348	472,807	27,348	472,807	-	-	28,167	479,099	28,167	479,099	-	-
Alternative minimum tax (Form 6251).....	833,843	102,858,094	833,843	102,858,094	-	-	859,852	103,803,419	859,852	103,803,419	-	-
Worldwide total income tax.....	115,951	1,136,366	115,951	1,136,366	-	-	130,573	1,402,970	130,573	1,402,970	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116).....	4,255	108,401	4,255	108,401	-	-	8,899	237,414	8,899	237,414	-	-
Taxable income which would yield:												
Income tax before credits.....	833,318	366,615,279	833,260	366,608,870	58	6,408	859,489	369,653,262	859,459	369,647,498	30	5,763
Income tax after credits.....	833,261	365,594,865	833,261	365,594,865	-	-	859,460	369,071,613	859,460	369,071,613	-	-
Worldwide total income tax.....	833,843	367,273,423	833,843	367,273,423	-	-	859,852	370,764,103	859,852	370,764,103	-	-
Reconciliation of adjusted gross income and expanded income:												
Adjusted gross income.....	834,957	429,822,880	833,843	429,191,484	1,114	631,396	860,940	431,775,191	859,852	431,541,013	1,087	234,177
plus:												
Total tax preferences excluded from adjusted gross income <sup>1</sup> .....	378,781	16,760,034	378,337	16,701,163	444	58,871	417,951	20,588,131	416,991	20,339,007	959	249,124
Social security benefits (nontaxable).....	117,208	825,589	117,003	824,235	205	1,354	144,414	1,047,974	143,703	1,042,339	711	5,635
Foreign earned income exclusion.....	6,476	438,441	†	†	†	†	12,716	925,061	†	†	†	†
minus: Investment interest.....	284,064	7,223,492	283,126	6,590,195	938	633,297	280,923	5,968,413	280,463	5,868,090	460	100,323
Non-limited miscellaneous deductions.....	20,447	472,240	20,364	443,716	83	28,524	18,318	241,366	18,305	239,790	13	1,576
Moving expense deduction.....	23,906	263,792	†	†	†	†	23,070	231,376	†	†	†	†
Unreimbursed employee business expense.....	146,382	1,130,846	146,265	1,128,605	117	2,241	138,743	911,928	†	†	†	†
equals: Expanded income.....	834,952	438,756,575	833,843	438,728,837	1,109	27,738	860,940	446,983,274	859,852	446,596,379	1,087	386,895

<sup>1</sup> Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

<sup>2</sup> Includes tax exempt interest, total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds), and excluded capital gains on returns for Tax Year 1986 and earlier.

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

# High Income Tax Returns, 1990

**Table 7.--Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect <sup>1</sup>**

[All figures are estimates based on samples]

Item with second largest tax effect	Item with largest tax effect											
	Total		Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Returns with U.S. income tax</b>												
Returns with adjusted gross income of \$200,000 or more												
Total.....	821,409	100.0	227,498	27.7	26,598	3.2	408,504	49.7	65,575	8.0	4,806	0.6
Interest paid deduction.....	230,344	28.0	-	-	7,212	27.1	190,986	46.8	10,520	16.0	602	12.5
Investment interest deduction.....	37,226	4.5	9,618	4.2	-	-	18,957	4.6	-	-	-	-
Taxes paid deduction.....	283,561	34.5	179,913	79.1	13,203	49.6	-	-	45,974	70.1	2,823	58.7
Contributions deduction.....	184,561	22.5	21,953	9.6	2,257	8.5	152,280	37.3	-	-	620	12.9
Medical and dental expense deduction.....	2,188	0.3	117	0.1	22	0.1	1,379	0.3	359	0.5	-	-
Net casualty or theft loss deduction.....	106	(*)	22	(*)	-	-	-	-	76	0.1	-	-
Total miscellaneous deduction.....	26,488	3.2	6,701	2.9	623	2.3	14,624	3.6	2,177	3.3	753	15.7
Foreign tax credit.....	5,721	0.7	772	0.3	162	0.6	3,563	0.9	292	0.4	†	†
Business credit.....	4,538	0.6	905	0.4	373	1.4	2,744	0.7	105	0.2	-	-
All other tax credits.....	3,724	0.5	781	0.3	163	0.6	1,497	0.4	242	0.4	-	-
Partnership and S Corporation net losses.....	33,907	4.1	6,713	3.0	2,558	9.6	20,228	5.0	2,505	3.8	†	†
No second largest item.....	9,045	1.1	3	(*)	25	0.1	2,247	0.6	656	1.0	-	-
Returns with expended income of \$200,000 or more												
Total.....	844,988	100.0	231,240	27.4	-	-	440,770	52.2	75,613	8.9	5,538	0.7
Interest paid deduction.....	244,145	28.9	-	-	-	-	208,793	47.4	12,711	16.8	602	10.9
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	293,556	34.7	191,793	82.9	-	-	-	-	54,613	72.2	3,128	56.5
Contributions deduction.....	219,668	26.0	27,083	11.7	-	-	183,325	41.6	-	-	620	11.2
Medical and dental expense deduction.....	2,985	0.4	124	0.1	-	-	2,190	0.5	360	0.5	-	-
Net casualty or theft loss deduction.....	225	(*)	138	0.1	-	-	-	-	76	0.1	-	-
Total miscellaneous deduction.....	18,112	2.1	1,743	0.8	-	-	10,346	2.3	2,811	3.7	†	†
Foreign tax credit.....	6,654	0.8	713	0.3	-	-	4,519	1.0	309	0.4	†	†
Business credit.....	4,533	0.5	939	0.4	-	-	3,013	0.7	124	0.2	-	-
All other tax credits.....	5,056	0.6	1,054	0.5	-	-	1,806	0.4	542	0.7	-	-
Partnership and S Corporation net losses.....	36,355	4.3	7,650	3.3	-	-	23,309	5.3	3,321	4.4	†	†
No second largest item.....	13,699	1.6	4	(*)	-	-	3,469	0.8	746	1.0	-	-
<b>Returns without U.S. income tax</b>												
Returns with adjusted gross income of \$200,000 or more												
Total.....	1,219	100.0	79	6.5	590	48.4	10	0.8	29	2.4	58	4.8
Interest paid deduction.....	273	22.4	-	-	157	26.6	†	†	11	37.9	3	5.2
Investment interest deduction.....	230	18.9	20	25.3	-	-	-	-	11	37.9	†	†
Taxes paid deduction.....	161	13.2	33	41.8	71	12.0	-	-	†	†	19	32.8
Contributions deduction.....	136	11.2	7	8.9	78	13.2	5	50.0	-	-	14	24.1
Medical and dental expense deduction.....	11	0.9	-	-	4	0.7	†	†	†	†	-	-
Net casualty or theft loss deduction.....	†	†	-	-	-	-	-	-	†	†	-	-
Total miscellaneous deduction.....	70	5.7	†	†	39	6.8	-	-	†	†	18	31.0
Foreign tax credit.....	†	†	†	†	-	-	-	-	-	-	-	-
Business credit.....	5	0.4	-	-	†	†	-	-	-	-	-	-
All other tax credits.....	7	0.6	-	-	†	†	-	-	-	-	-	-
Partnership and S Corporation net losses.....	272	22.3	15	19.0	233	39.5	†	†	†	†	-	-
No second largest item.....	49	4.0	-	-	3	0.5	-	-	-	-	†	†
Returns with expended income of \$200,000 or more												
Total.....	1,081	100.0	59	5.5	-	-	14	1.3	327	30.2	387	35.8
Interest paid deduction.....	93	8.6	-	-	-	-	†	†	15	4.6	†	†
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	140	13.0	35	59.3	-	-	-	-	36	11.0	24	6.2
Contributions deduction.....	389	36.0	†	†	-	-	7	50.0	-	-	342	88.4
Medical and dental expense deduction.....	7	0.6	-	-	-	-	†	†	†	†	-	-
Net casualty or theft loss deduction.....	†	†	-	-	-	-	-	-	†	†	-	-
Total miscellaneous deduction.....	287	26.5	-	-	-	-	†	†	261	79.8	17	4.4
Foreign tax credit.....	3	0.3	†	†	-	-	-	-	-	-	-	-
Business credit.....	†	†	-	-	-	-	-	-	-	-	-	-
All other tax credits.....	8	0.7	-	-	-	-	-	-	†	†	-	-
Partnership and S Corporation net losses.....	41	3.8	15	25.4	-	-	†	†	9	2.8	-	-
No second largest item.....	108	10.0	-	-	-	-	-	-	†	†	†	†

Footnotes at end of table.

# High Income Tax Returns, 1990

**Table 7.--Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect--Continued <sup>1</sup>**

[All figures are estimates based on samples]

Item with second largest tax effect	Item with largest tax effect											
	Net casualty or theft loss deduction		Total miscellaneous deduction		Foreign tax credit		Business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>Returns with U.S. income tax</b>												
<b>Returns with adjusted gross income of \$200,000 or more</b>												
Total.....	10	(*)	17,836	2.2	12,963	1.6	4,919	0.6	3,269	0.4	49,431	6.0
Interest paid deduction.....	-	-	3,537	19.8	4,328	33.4	798	16.2	788	24.1	11,574	23.4
Investment interest deduction.....	-	-	781	4.4	545	4.2	575	11.7	128	3.9	3,953	8.0
Taxes paid deduction.....	†	†	10,147	56.9	3,389	26.1	2,219	45.1	†	†	23,942	48.4
Contributions deduction.....	-	-	1,879	10.5	636	4.9	356	7.2	147	4.5	4,434	9.0
Medical and dental expense deduction.....	-	-	116	0.7	76	0.6	-	-	-	-	118	0.2
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	8	(?)
Total miscellaneous deduction.....	-	-	-	-	532	4.1	79	1.6	-	-	999	2.0
Foreign tax credit.....	-	-	357	2.0	-	-	170	3.5	†	†	391	0.8
Business credit.....	-	-	†	†	98	0.8	-	-	†	†	288	0.6
All other tax credits.....	-	-	91	0.5	115	0.9	13	0.3	-	-	822	1.7
Partnership and S Corporation net losses.....	†	†	923	5.2	553	4.3	291	5.9	†	†	-	-
No second largest item.....	-	-	†	†	2,690	20.8	419	8.5	†	†	2,903	5.9
<b>Returns with expanded income of \$200,000 or more</b>												
Total.....	10	(*)	9,604	1.1	18,942	2.2	4,989	0.6	4,019	0.5	54,264	6.4
Interest paid deduction.....	-	-	1,380	14.4	6,295	33.2	498	10.0	880	21.9	12,986	23.9
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	†	†	5,395	55.2	4,490	23.7	2,743	55.0	†	†	28,937	53.3
Contributions deduction.....	-	-	1,805	18.8	731	3.9	495	9.9	175	4.4	5,435	10.0
Medical and dental expense deduction.....	-	-	†	†	†	†	-	-	-	-	118	0.2
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	10	(?)
Total miscellaneous deduction.....	-	-	-	-	†	†	82	1.6	-	-	1,601	3.0
Foreign tax credit.....	-	-	353	3.7	-	-	170	3.4	†	†	493	0.9
Business credit.....	-	-	†	†	105	0.6	-	-	†	†	322	0.6
All other tax credits.....	-	-	206	2.1	497	2.6	20	0.4	-	-	931	1.7
Partnership and S Corporation net losses.....	†	†	437	4.6	818	4.3	536	10.7	†	†	-	-
No second largest item.....	-	-	†	†	5,504	29.1	444	8.9	†	†	3,431	6.3
<b>Returns without U.S. income tax</b>												
<b>Returns with adjusted gross income of \$200,000 or more</b>												
Total.....	48	3.9	58	4.8	84	6.9	-	-	12	1.0	251	20.6
Interest paid deduction.....	23	47.9	23	39.7	22	26.2	-	-	†	†	31	12.4
Investment interest deduction.....	†	†	†	†	3	3.6	-	-	-	-	189	75.3
Taxes paid deduction.....	15	31.3	6	10.3	6	7.1	-	-	†	†	6	2.4
Contributions deduction.....	3	6.3	8	13.8	5	6.0	-	-	†	†	†	†
Medical and dental expense deduction.....	-	-	†	†	-	-	-	-	-	-	†	†
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	†	†
Total miscellaneous deduction.....	†	†	-	-	8	9.5	-	-	-	-	†	†
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	†	†
Business credit.....	-	-	-	-	-	-	-	-	†	†	†	†
All other tax credits.....	-	-	-	-	-	-	-	-	-	-	†	†
Partnership and S Corporation net losses.....	3	6.3	8	13.8	5	6.0	-	-	5	41.7	-	-
No second largest item.....	†	†	†	†	35	41.7	-	-	-	-	-	-
<b>Returns with expanded income of \$200,000 or more</b>												
Total.....	42	3.9	10	0.9	84	7.8	†	†	†	†	145	13.4
Interest paid deduction.....	20	47.6	3	30.0	24	28.6	-	-	†	†	25	17.2
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	15	35.7	†	†	8	9.5	-	-	†	†	17	11.7
Contributions deduction.....	3	7.1	†	†	5	6.0	-	-	†	†	21	14.5
Medical and dental expense deduction.....	-	-	†	†	-	-	-	-	-	-	†	†
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	†	†
Total miscellaneous deduction.....	-	-	-	-	4	4.8	-	-	-	-	†	†
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	†	†
Business credit.....	-	-	-	-	-	-	-	-	†	†	†	†
All other tax credits.....	-	-	-	-	-	-	-	-	-	-	†	†
Partnership and S Corporation net losses.....	†	†	3	30.0	5	6.0	-	-	4	36.4	-	-
No second largest item.....	†	†	-	-	38	45.2	†	†	-	-	†	†

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

<sup>†</sup> Returns that have at least one of the tax effects are included in the table.

<sup>2</sup> Less than 0.05 percent.

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

# High Income Tax Returns, 1990

**Table 8.--Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect <sup>1</sup>**

[All figures are estimates based on samples]

Item with second largest tax effect	Item with largest tax effect											
	Total		Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Returns with worldwide income tax</b>												
<b>Returns with adjusted gross income of \$200,000 or more</b>												
Total.....	818,789	100.0	231,852	28.3	27,152	3.3	411,890	50.3	66,216	8.1	4,882	0.6
Interest paid deduction.....	229,019	28.0	-	-	7,497	27.6	193,202	46.9	10,739	16.2	602	12.3
Investment interest deduction.....	37,190	4.5	9,693	4.2	-	-	19,282	4.7	2,704	4.1	-	-
Taxes paid deduction.....	285,992	34.9	183,873	79.3	13,457	49.6	-	-	46,486	70.2	†	†
Contributions deduction.....	187,945	23.0	22,543	9.7	2,379	8.8	155,370	37.7	-	-	620	12.7
Medical and dental expense deduction.....	2,195	0.3	117	0.1	22	0.1	1,462	0.4	359	0.5	-	-
Net casualty or theft loss deduction.....	106	(*)	22	(*)	-	-	-	-	76	0.1	-	-
Total miscellaneous deduction.....	26,682	3.3	6,865	3.0	652	2.4	15,101	3.7	2,222	3.4	†	†
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
Business credit.....	4,646	0.6	905	0.4	374	1.4	2,793	0.7	184	0.3	-	-
All other tax credits.....	3,815	0.5	877	0.4	163	0.6	1,599	0.4	243	0.4	-	-
Partnership and S Corporation net losses.....	33,770	4.1	6,827	2.9	2,573	9.5	20,467	5.0	2,538	3.8	†	†
No second largest item.....	7,429	0.9	129	0.1	34	0.1	2,624	0.6	665	1.0	-	-
<b>Returns with expanded income of \$200,000 or more</b>												
Total.....	839,541	100.0	237,562	28.3	-	-	445,268	53.0	76,349	9.1	5,614	0.7
Interest paid deduction.....	241,265	28.7	-	-	-	-	211,708	47.5	12,928	16.9	602	10.7
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	296,381	35.3	197,209	83.0	-	-	-	-	55,267	72.4	†	†
Contributions deduction.....	224,544	26.7	27,788	11.7	-	-	188,046	42.2	-	-	620	11.0
Medical and dental expense deduction.....	2,992	0.4	124	0.1	-	-	2,273	0.5	360	0.5	-	-
Net casualty or theft loss deduction.....	225	(*)	138	0.1	-	-	-	-	76	0.1	-	-
Total miscellaneous deduction.....	18,308	2.2	1,975	0.8	-	-	10,681	2.4	2,858	3.7	1,104	19.7
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
Business credit.....	4,637	0.6	939	0.4	-	-	3,064	0.7	204	0.3	-	-
All other tax credits.....	4,791	0.6	1,150	0.5	-	-	1,914	0.4	543	0.7	-	-
Partnership and S Corporation net losses.....	36,135	4.3	7,854	3.3	-	-	23,645	5.3	3,357	4.4	†	†
No second largest item.....	10,261	1.2	385	0.2	-	-	3,936	0.9	755	1.0	†	†
<b>Returns without worldwide income tax</b>												
<b>Returns with adjusted gross income of \$200,000 or more</b>												
Total.....	1,114	100.0	75	6.7	584	52.4	10	0.9	29	2.6	58	5.2
Interest paid deduction.....	249	22.4	-	-	157	26.9	†	†	11	37.9	3	5.2
Investment interest deduction.....	222	19.9	19	25.3	-	-	-	-	11	37.9	†	†
Taxes paid deduction.....	155	13.9	33	44.0	71	12.2	-	-	†	†	19	32.8
Contributions deduction.....	129	11.6	†	†	78	13.4	5	50.0	-	-	14	24.1
Medical and dental expense deduction.....	11	1.0	-	-	4	0.7	†	†	†	†	-	-
Net casualty or theft loss deduction.....	†	†	-	-	-	-	-	-	†	†	-	-
Total miscellaneous deduction.....	61	5.5	†	†	39	6.7	-	-	†	†	18	31.0
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
Business credit.....	†	†	-	-	†	†	-	-	-	-	-	-
All other tax credits.....	7	0.6	-	-	†	†	-	-	-	-	-	-
Partnership and S Corporation net losses.....	260	23.3	14	18.7	227	38.9	†	†	†	†	-	-
No second largest item.....	14	1.3	-	-	†	†	-	-	-	-	†	†
<b>Returns with expanded income of \$200,000 or more</b>												
Total.....	985	100.0	56	5.7	-	-	14	1.4	327	33.2	387	39.3
Interest paid deduction.....	67	6.8	-	-	-	-	†	†	15	4.6	†	†
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	131	13.3	34	60.7	-	-	-	-	36	11.0	24	6.2
Contributions deduction.....	382	38.8	8	14.3	-	-	7	50.0	-	-	342	88.4
Medical and dental expense deduction.....	7	0.7	-	-	-	-	†	†	†	†	-	-
Net casualty or theft loss deduction.....	†	†	-	-	-	-	-	-	†	†	-	-
Total miscellaneous deduction.....	282	28.6	-	-	-	-	†	†	261	79.8	17	4.4
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
Business credit.....	†	†	-	-	-	-	-	-	-	-	-	-
All other tax credits.....	7	0.7	-	-	-	-	-	-	†	†	-	-
Partnership and S Corporation net losses.....	35	3.6	14	25.0	-	-	†	†	9	2.8	-	-
No second largest item.....	70	7.1	-	-	-	-	-	-	†	†	†	†

Footnotes at end of table.

# High Income Tax Returns, 1990

**Table 8.--Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect--Continued <sup>1</sup>**

[All figures are estimates based on samples]

Item with second largest tax effect	Item with largest tax effect											
	Net casualty or theft loss deduction		Total miscellaneous deduction		Foreign tax credit		Business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>Returns with worldwide income tax</b>												
Returns with adjusted gross income of \$200,000 or more												
Total.....	11	(*)	18,378	2.2	-	-	5,017	0.6	3,384	0.4	49,999	6.1
Interest paid deduction.....	-	†	†	†	-	-	874	17.4	800	23.6	11,645	23.3
Investment interest deduction.....	-	-	795	4.3	-	-	587	11.7	129	3.8	3,999	8.0
Taxes paid deduction.....	†	†	10,778	58.6	-	-	2,315	46.1	2,033	60.1	24,144	48.3
Contributions deduction.....	-	-	1,984	10.8	-	-	364	7.3	155	4.6	4,531	9.1
Medical and dental expense deduction.....	-	-	116	0.6	-	-	-	-	-	-	118	0.2
Net casualty or theft loss deduction.....	-	-	-	-	-	-	†	†	-	-	8	(*)
Total miscellaneous deduction.....	-	-	-	-	-	-	-	†	-	-	1,009	2.0
Foreign tax credit.....	-	-	-	-	-	-	-	-	†	†	-	-
Business credit.....	-	-	†	†	-	-	-	-	-	-	367	0.7
All other tax credits.....	-	-	†	†	-	-	†	†	-	-	823	1.6
Partnership and S Corporation net losses.....	†	†	932	5.1	-	-	291	5.8	132	3.9	-	-
No second largest item.....	-	-	†	†	-	-	495	9.9	†	†	3,354	6.7
Returns with expended income of \$200,000 or more												
Total.....	11	(*)	10,032	1.2	-	-	5,095	0.6	4,516	0.5	55,095	6.6
Interest paid deduction.....	†	†	†	†	-	-	575	11.3	899	19.9	13,073	23.7
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	†	†	5,852	58.3	-	-	2,842	55.8	2,699	59.8	29,300	53.2
Contributions deduction.....	-	-	1,915	19.1	-	-	506	9.9	184	4.1	5,487	10.0
Medical and dental expense deduction.....	-	-	116	1.2	-	-	-	-	-	-	118	0.2
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	10	(*)
Total miscellaneous deduction.....	-	-	-	-	-	-	82	1.6	-	-	1,607	2.9
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
Business credit.....	-	-	†	†	-	-	-	-	†	†	401	0.7
All other tax credits.....	-	-	212	2.1	-	-	27	0.5	-	-	946	1.7
Partnership and S Corporation net losses.....	†	†	445	4.4	-	-	543	10.7	281	6.2	-	-
No second largest item.....	-	-	†	†	-	-	520	10.2	†	†	4,152	7.5
<b>Returns without worldwide income tax</b>												
Returns with adjusted gross income of \$200,000 or more												
Total.....	47	4.2	58	5.2	-	-	-	-	12	1.1	241	21.6
Interest paid deduction.....	22	46.8	23	39.7	-	-	-	-	†	†	30	12.4
Investment interest deduction.....	†	†	†	†	-	-	-	-	-	-	185	76.8
Taxes paid deduction.....	15	31.9	6	10.3	-	-	-	-	†	†	6	2.5
Contributions deduction.....	3	6.4	8	13.8	-	-	-	-	†	†	13	5.4
Medical and dental expense deduction.....	-	-	†	†	-	-	-	-	-	-	†	†
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	†	†
Total miscellaneous deduction.....	†	†	-	-	-	-	-	-	-	-	-	-
Foreign tax credit.....	-	-	-	-	-	-	-	-	†	†	-	-
Business credit.....	-	-	-	-	-	-	-	-	-	-	†	†
All other tax credits.....	-	-	-	-	-	-	-	-	-	-	†	†
Partnership and S Corporation net losses.....	3	6.4	8	13.8	-	-	-	-	5	41.7	-	-
No second largest item.....	†	†	9	15.5	-	-	-	-	-	-	-	-
Returns with expended income of \$200,000 or more												
Total.....	41	4.2	10	1.0	-	-	†	†	†	†	137	13.9
Interest paid deduction.....	19	46.3	3	30.0	-	-	-	-	†	†	24	17.5
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	15	36.6	†	†	-	-	-	-	†	†	17	12.4
Contributions deduction.....	3	7.3	†	†	-	-	-	-	†	†	19	13.9
Medical and dental expense deduction.....	-	-	†	†	-	-	-	-	-	-	†	†
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	†	†
Total miscellaneous deduction.....	-	-	-	-	-	-	-	-	-	-	†	†
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
Business credit.....	-	-	-	-	-	-	-	-	†	†	-	-
All other tax credits.....	-	-	-	-	-	-	-	-	-	-	†	†
Partnership and S Corporation net losses.....	†	†	3	30.0	-	-	-	-	4	36.4	-	-
No second largest item.....	†	†	-	-	-	-	†	†	-	-	†	†

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

‡ Returns that have at least one of the tax effects are included in the table.

§ Less than 0.05 percent.

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

**Table 9.—Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income**

[All figures are estimates based on samples]

Income concept and type of deduction or credit	Total	Number of returns on which income was reduced by percentages of income									
		No deduction or credit	Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Adjusted gross income concept</b>											
Total itemized deductions.....	1,219	38	33	13	7	6	4	4	6	124	984
Interest paid deduction:											
<b>Total</b> .....	<b>1,219</b>	<b>106</b>	<b>122</b>	<b>25</b>	<b>23</b>	<b>17</b>	<b>22</b>	<b>30</b>	<b>35</b>	<b>367</b>	<b>472</b>
Investment interest per income concept.....	1,219	248	88	31	21	26	34	44	70	335	322
Taxes paid deduction.....	1,219	95	715	262	73	27	18	6	3	12	8
Contributions deduction.....	1,219	160	756	96	51	42	32	82	-	-	-
Medical and dental expense deduction....	1,219	1,121	22	6	†	4	4	†	3	28	26
Net casualty or theft loss deduction.....	1,219	1,167	-	†	†	†	†	†	†	11	33
Net limited miscellaneous deduction per income concept.....	1,219	694	369	75	37	16	9	5	4	6	4
Non-limited miscellaneous deduction.....	1,219	1,132	28	4	†	†	†	†	†	25	23
Deduction equivalent of:											
Total credits.....	1,219	1,057	39	9	3	7	4	3	6	80	11
Foreign tax credit.....	1,219	1,115	11	†	†	†	†	†	3	69	11
Business credit.....	1,219	1,189	20	6	†	†	-	-	†	-	-
Tax preferences excluded from adjusted gross income.....	1,219	753	268	58	29	14	15	14	7	23	38
<b>Expanded income concept</b>											
Total itemized deductions.....	1,183	213	35	20	305	14	14	13	9	396	164
Interest paid deduction:											
<b>Total</b> .....	<b>1,183</b>	<b>882</b>	<b>146</b>	<b>27</b>	<b>31</b>	<b>15</b>	<b>13</b>	<b>10</b>	<b>9</b>	<b>30</b>	<b>20</b>
Investment interest per income concept.....	1,183	704	99	24	271	6	5	10	8	15	41
Taxes paid deduction.....	1,183	229	817	75	20	13	10	4	-	3	12
Contributions deduction.....	1,183	254	193	313	26	340	12	15	8	10	12
Medical and dental expense deduction....	1,183	521	268	3	3	5	333	7	8	24	11
Net casualty or theft loss deduction.....	1,183	1,137	-	†	-	†	†	†	†	11	28
Net limited miscellaneous deduction per income concept.....	1,183	410	729	23	8	†	†	†	†	†	5
Non-limited miscellaneous deduction.....	1,183	1,168	12	†	-	-	-	-	-	-	†
Deduction equivalent of:											
Total credits.....	1,183	1,058	9	5	5	†	4	†	8	84	6
Foreign tax credit.....	1,183	1,088	4	†	†	-	†	†	6	72	6
Business credit.....	1,183	1,170	8	†	-	†	-	-	†	-	-
Tax preferences excluded from adjusted gross income.....	1,183	206	66	27	339	13	19	11	7	316	179

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

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

**Table 10.—Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income**

[All figures are estimates based on samples]

Income concept and type of deduction or credit	Total	Number of returns on which income was reduced by percentages of income									
		No deduction or credit	Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Adjusted gross income concept</b>											
Total itemized deductions.....	1,114	-	3	4	3	3	†	†	3	113	981
Interest paid deduction:											
<b>Total</b> .....	<b>1,114</b>	<b>60</b>	<b>90</b>	<b>19</b>	<b>18</b>	<b>15</b>	<b>21</b>	<b>27</b>	<b>35</b>	<b>358</b>	<b>471</b>
Investment interest per income concept.....	1,114	176	71	27	19	25	34	43	70	327	322
Taxes paid deduction.....	1,114	43	671	254	73	27	17	6	3	12	8
Contributions deduction.....	1,114	106	714	91	48	42	32	81	-	-	-
Medical and dental expense deduction.....	1,114	1,016	22	6	†	†	4	3	3	28	26
Net casualty or theft loss deduction.....	1,114	1,063	-	†	†	†	†	†	†	11	30
Net limited miscellaneous deduction per income concept.....	1,114	612	351	74	33	16	9	5	4	6	4
Non-limited miscellaneous deduction.....	1,114	1,031	25	3	†	†	†	†	†	25	23
Deduction equivalent of:											
Total credits.....	1,114	1,056	30	7	†	4	†	†	3	10	-
Foreign tax credit.....	1,114	1,114	-	-	-	-	-	-	-	-	-
Business credit.....	1,114	1,088	17	6	†	†	-	-	-	-	-
Tax preferences excluded from adjusted gross income.....	1,114	670	251	58	27	13	15	13	7	23	37
<b>Expanded income concept</b>											
Total itemized deductions.....	1,087	170	5	12	301	12	9	12	8	394	164
Interest paid deduction:											
<b>Total</b> .....	<b>1,087</b>	<b>827</b>	<b>117</b>	<b>23</b>	<b>27</b>	<b>14</b>	<b>12</b>	<b>10</b>	<b>7</b>	<b>30</b>	<b>20</b>
Investment interest per income concept.....	1,087	630	84	20	271	5	5	9	8	14	41
Taxes paid deduction.....	1,087	175	781	69	20	13	10	4	-	3	12
Contributions deduction.....	1,087	197	160	309	25	339	12	15	8	10	12
Medical and dental expense deduction.....	1,087	425	268	3	3	5	333	7	8	24	11
Net casualty or theft loss deduction.....	1,087	1,042	-	†	-	†	†	†	†	11	28
Net limited miscellaneous deduction per income concept.....	1,087	330	716	21	7	†	†	†	†	†	5
Non-limited miscellaneous deduction.....	1,087	1,074	10	†	-	-	-	-	-	-	†
Deduction equivalent of:											
Total credits.....	1,087	1,057	7	4	†	†	†	†	†	11	-
Foreign tax credit.....	1,087	1,087	-	-	-	-	-	-	-	-	-
Business credit.....	1,087	1,076	7	†	-	†	-	-	-	-	-
Tax preferences excluded from adjusted gross income.....	1,087	128	52	25	338	13	19	10	7	316	179

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

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

# High Income Tax Returns, 1990

**Table 11.--Returns With and Without U.S. Income Tax: Number of Returns and Percentages of Returns Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts <sup>1</sup>**

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns.....	113,717,138	100.0	96,332,376	100.0	14,220,244	100.0	2,329,562	100.0	834,957	100.0
Returns without U.S. income tax.....	21,175,126	18.6	21,146,073	22.0	23,770	0.2	4,064	0.2	1,219	0.1
Returns with U.S. income tax.....	92,542,013	81.4	75,186,303	78.0	14,196,474	99.8	2,325,498	99.8	833,738	99.9
Effective tax rate:										
Under 5 percent.....	17,147,125	15.1	16,977,156	17.6	144,951	1.0	19,472	0.8	5,545	0.7
5 under 10 percent.....	36,215,255	31.8	34,135,172	35.4	2,007,693	14.1	65,432	2.8	6,957	0.8
10 under 15 percent.....	27,719,669	24.4	20,484,523	21.3	6,889,471	48.4	324,443	13.9	21,233	2.5
15 under 20 percent.....	8,917,254	7.8	3,389,289	3.5	4,463,438	31.4	980,180	42.1	84,348	10.1
20 under 25 percent.....	2,014,572	1.8	115,730	0.1	657,736	4.6	808,521	34.7	432,585	51.8
25 under 30 percent.....	471,722	0.4	42,999	( <sup>2</sup> )	26,360	0.2	122,756	5.3	279,607	33.5
30 under 35 percent.....	16,764	( <sup>2</sup> )	10,841	( <sup>2</sup> )	1,886	( <sup>2</sup> )	2,929	0.1	1,110	0.1
35 under 40 percent.....	6,112	( <sup>2</sup> )	4,520	( <sup>2</sup> )	586	( <sup>2</sup> )	422	( <sup>2</sup> )	585	0.1
40 under 45 percent.....	6,902	( <sup>2</sup> )	5,594	( <sup>2</sup> )	501	( <sup>2</sup> )	306	( <sup>2</sup> )	500	0.1
45 under 50 percent.....	6,153	( <sup>2</sup> )	†	†	†	†	672	( <sup>2</sup> )	309	( <sup>2</sup> )
50 under 60 percent.....	3,173	( <sup>2</sup> )	-	-	2,489	( <sup>2</sup> )	230	( <sup>2</sup> )	454	0.1
60 under 70 percent.....	334	( <sup>2</sup> )	-	-	33	( <sup>2</sup> )	9	( <sup>2</sup> )	292	( <sup>2</sup> )
70 under 80 percent.....	35	( <sup>2</sup> )	†	†	†	†	-	-	23	( <sup>2</sup> )
80 percent or more.....	16,942	( <sup>2</sup> )	15,958	( <sup>2</sup> )	669	( <sup>2</sup> )	126	( <sup>2</sup> )	190	( <sup>2</sup> )
Effective tax rate	Size of expanded income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns.....	113,717,138	100.0	95,970,036	100.0	14,494,901	100.0	2,391,262	100.0	860,940	100.0
Returns without U.S. income tax.....	21,175,126	18.6	21,107,203	22.0	61,288	0.4	5,452	0.2	1,183	0.1
Returns with U.S. income tax.....	92,542,013	81.4	74,862,833	78.0	14,433,613	99.6	2,385,810	99.8	859,756	99.9
Effective tax rate:										
Under 5 percent.....	18,288,283	16.1	18,032,287	18.8	192,550	1.3	50,984	2.1	12,461	1.4
5 under 10 percent.....	35,847,776	31.5	33,650,808	35.1	2,098,964	14.5	80,480	3.4	17,523	2.0
10 under 15 percent.....	27,130,427	23.9	19,708,372	20.5	7,065,731	48.7	321,666	13.5	34,658	4.0
15 under 20 percent.....	8,885,695	7.8	3,261,908	3.4	4,494,432	31.0	1,029,827	43.1	99,528	11.6
20 under 25 percent.....	1,939,224	1.7	131,838	0.1	558,681	3.9	801,099	33.5	447,605	52.0
25 under 30 percent.....	400,978	0.4	42,759	( <sup>2</sup> )	15,593	0.1	97,940	4.1	244,685	28.4
30 under 35 percent.....	13,325	( <sup>2</sup> )	8,143	( <sup>2</sup> )	1,031	( <sup>2</sup> )	2,709	0.1	1,442	0.2
35 under 40 percent.....	9,258	( <sup>2</sup> )	6,009	( <sup>2</sup> )	2,287	( <sup>2</sup> )	407	( <sup>2</sup> )	555	0.1
40 under 45 percent.....	3,462	( <sup>2</sup> )	2,705	( <sup>2</sup> )	503	( <sup>2</sup> )	79	( <sup>2</sup> )	175	( <sup>2</sup> )
45 under 50 percent.....	3,449	( <sup>2</sup> )	1,807	( <sup>2</sup> )	662	( <sup>2</sup> )	408	( <sup>2</sup> )	572	0.1
50 under 60 percent.....	2,611	( <sup>2</sup> )	-	-	2,480	( <sup>2</sup> )	81	( <sup>2</sup> )	50	( <sup>2</sup> )
60 under 70 percent.....	363	( <sup>2</sup> )	24	( <sup>2</sup> )	24	( <sup>2</sup> )	-	-	315	( <sup>2</sup> )
70 under 80 percent.....	1,141	( <sup>2</sup> )	363	( <sup>2</sup> )	662	( <sup>2</sup> )	116	( <sup>2</sup> )	-	-
80 percent or more.....	16,021	( <sup>2</sup> )	15,810	( <sup>2</sup> )	13	( <sup>2</sup> )	12	( <sup>2</sup> )	186	( <sup>2</sup> )

<sup>1</sup> Returns with U.S. income tax include returns on which income tax was entirely offset by the earned income credit.

<sup>2</sup> Less than 0.05 percent.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

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

# High Income Tax Returns, 1990

**Table 12.--Returns With and Without Worldwide Income Tax: Number of Returns and Percentages of Returns Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts <sup>1</sup>**

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns.....	113,717,138	100.0	98,332,376	100.0	14,220,244	100.0	2,329,562	100.0	834,957	100.0
Returns without worldwide income tax.....	21,152,121	18.6	21,124,573	21.9	22,529	0.2	3,905	0.2	1,114	0.1
Returns with worldwide income tax.....	92,565,018	81.4	75,207,803	78.1	14,197,715	99.8	2,325,657	99.8	833,843	99.9
Effective tax rate:										
Under 5 percent.....	17,102,668	15.0	16,949,297	17.6	137,583	1.0	13,676	0.6	2,112	0.3
5 under 10 percent.....	36,207,507	31.8	34,140,083	35.4	2,001,737	14.1	60,940	2.6	4,747	0.6
10 under 15 percent.....	27,739,041	24.4	20,515,318	21.3	6,884,700	48.4	319,116	13.7	19,907	2.4
15 under 20 percent.....	8,921,248	7.8	3,389,213	3.5	4,469,725	31.4	980,817	42.1	81,494	9.8
20 under 25 percent.....	2,022,832	1.8	114,900	0.1	661,383	4.7	812,996	34.9	433,553	51.9
25 under 30 percent.....	488,232	0.4	45,662	( <sup>2</sup> )	28,726	0.2	127,785	5.5	286,060	34.3
30 under 35 percent.....	19,877	( <sup>2</sup> )	10,917	( <sup>2</sup> )	3,158	( <sup>2</sup> )	3,766	0.2	2,036	0.2
35 under 40 percent.....	9,237	( <sup>2</sup> )	4,520	( <sup>2</sup> )	1,575	( <sup>2</sup> )	1,716	0.1	1,426	0.2
40 under 45 percent.....	10,554	( <sup>2</sup> )	6,333	( <sup>2</sup> )	2,154	( <sup>2</sup> )	1,144	( <sup>2</sup> )	923	0.1
45 under 50 percent.....	8,789	( <sup>2</sup> )	5,326	( <sup>2</sup> )	1,346	( <sup>2</sup> )	1,662	0.1	455	0.1
50 under 60 percent.....	7,095	( <sup>2</sup> )	1,631	( <sup>2</sup> )	3,631	( <sup>2</sup> )	1,220	0.1	613	0.1
60 under 70 percent.....	2,220	( <sup>2</sup> )	739	( <sup>2</sup> )	718	( <sup>2</sup> )	541	( <sup>2</sup> )	223	( <sup>2</sup> )
70 under 80 percent.....	1,818	( <sup>2</sup> )	1,489	( <sup>2</sup> )	230	( <sup>2</sup> )	-	-	100	( <sup>2</sup> )
80 percent or more.....	23,900	( <sup>2</sup> )	22,376	( <sup>2</sup> )	1,049	( <sup>2</sup> )	279	( <sup>2</sup> )	196	( <sup>2</sup> )

Effective tax rate	Size of expanded income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns.....	113,717,138	100.0	95,970,036	100.0	14,494,901	100.0	2,391,262	100.0	860,940	100.0
Returns without worldwide income tax.....	21,152,121	18.6	21,091,985	22.0	54,368	0.4	4,680	0.2	1,087	0.1
Returns with worldwide income tax.....	92,565,018	81.4	74,878,051	78.0	14,440,533	99.6	2,386,581	99.8	859,852	99.9
Effective tax rate:										
Under 5 percent.....	18,238,297	16.0	18,009,442	18.8	188,488	1.3	35,836	1.5	4,531	0.5
5 under 10 percent.....	35,855,448	31.5	33,668,682	35.1	2,093,070	14.4	78,266	3.3	15,430	1.8
10 under 15 percent.....	27,148,737	23.9	19,725,338	20.6	7,070,241	48.8	320,948	13.4	32,210	3.7
15 under 20 percent.....	8,895,214	7.8	3,263,397	3.4	4,499,455	31.0	1,033,937	43.2	98,424	11.4
20 under 25 percent.....	1,953,307	1.7	130,856	0.1	561,957	3.9	809,008	33.8	451,486	52.4
25 under 30 percent.....	416,220	0.4	44,249	( <sup>2</sup> )	17,861	0.1	102,717	4.3	251,393	29.2
30 under 35 percent.....	16,721	( <sup>2</sup> )	8,143	( <sup>2</sup> )	1,618	( <sup>2</sup> )	3,623	0.2	3,337	0.4
35 under 40 percent.....	11,482	( <sup>2</sup> )	6,009	( <sup>2</sup> )	3,500	( <sup>2</sup> )	884	( <sup>2</sup> )	1,109	0.1
40 under 45 percent.....	4,236	( <sup>2</sup> )	2,705	( <sup>2</sup> )	503	( <sup>2</sup> )	308	( <sup>2</sup> )	720	0.1
45 under 50 percent.....	3,449	( <sup>2</sup> )	1,807	( <sup>2</sup> )	662	( <sup>2</sup> )	408	( <sup>2</sup> )	572	0.1
50 under 60 percent.....	2,923	( <sup>2</sup> )	-	-	2,480	( <sup>2</sup> )	310	( <sup>2</sup> )	133	( <sup>2</sup> )
60 under 70 percent.....	363	( <sup>2</sup> )	24	( <sup>2</sup> )	24	( <sup>2</sup> )	76	( <sup>2</sup> )	239	( <sup>2</sup> )
70 under 80 percent.....	1,294	( <sup>2</sup> )	363	( <sup>2</sup> )	662	( <sup>2</sup> )	193	( <sup>2</sup> )	76	( <sup>2</sup> )
80 percent or more.....	17,329	( <sup>2</sup> )	17,035	( <sup>2</sup> )	13	( <sup>2</sup> )	88	( <sup>2</sup> )	193	( <sup>2</sup> )

<sup>1</sup> Returns with worldwide income tax include returns on which income tax was entirely offset by the earned income credit.

<sup>2</sup> Less than 0.05 percent.

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

# Projections of Returns to be Filed in Calendar Years 1994-2000

by Carolyn DeWilde

**A** total of 215.5 million tax returns are projected to be filed at Internal Revenue Service (IRS) service centers during Calendar Year (CY) 1994. This is a 2.6 percent increase from the 1993 estimated volume. The overall average annual growth in tax returns through CY 2000 is 1.9 percent, with returns filed increasing to an expected 239.4 million. Return projections by the IRS Research Division provide a foundation for IRS resource requirements and budget submissions to the Secretary of Treasury, Office of Management and Budget, and Congress.

## Projection Methodology

Three distinctive methods were used to project tax returns for 1994-2000: regression techniques, time series analysis, and growth rates. Regression techniques were selected when statistically sound relationships existed between tax

**A 1993 tax law change is expected to impact amended and other individual income tax returns, as well as excise tax returns.**

return filings and independent economic or demographic indicators. Key economic and demographic variables which significantly affect return filings include personal income, gross domestic product (GDP), civilian employment, and total population [1]. These variables were used selectively in regression models to project individual,

employment, fiduciary, and various corporation returns. In most instances, these economic or demographic variables were lagged by 1 year to correspond more directly with the tax year in question. Also, "dummy variables" (i.e., specially constructed variables with values of "0" or "1") were occasionally used to account for the effects of legislative changes, return count aberrations, and other unusual conditions not reflected by the economic or demographic variables.

The regression models incorporated the actual 1992 return counts into the base period. Some also included 1993 estimates. In such instances, the 6-month return counts were typically used to estimate the 1993 total for the year based on the proportion of returns filed in 1993 relative to the same period in 1992. Calendar year projections reflect the year in which the returns are processed rather than the tax year covered by the information reported on the return [2].

In the absence of statistically sound relationships with

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economic or demographic variables, some returns were projected using time series analysis techniques. These include finite moving averages, exponential smoothing, and autoregressive integrated moving average (ARIMA) techniques. For example, forecasts of excise tax returns were based on a moving average, while projections of certain employment tax returns were based on ARIMA models.

Other return series have very short or even no historical base periods; therefore, the traditional projection techniques are not applicable. In these instances, simple growth rates are used for forecasting. This method generally assumes that a prior growth pattern for a limited set of years for a given form will continue in the future, or that a new return type will grow at a rate similar to a related return with an established pattern.

"Off-model adjustments" (i.e., adjustments to the initial forecasts based on the above techniques) are sometimes necessary when returns are directly impacted by legislative or administrative changes which the techniques described above cannot take into account. The IRS projections typically reflect the impact of future legislative and administrative changes to the extent that laws have been enacted or IRS programs officially approved. For example, projection adjustments have been made due to the Omnibus Budget Reconciliation Act of 1993 (OBRA 93). However, administrative initiatives are also significant. These include a form change to enable certain married couples filing jointly to use the revised Form 1040EZ short form, formerly limited to single filers with no dependents, starting in CY 1994; the IRS "Reduce Unnecessary Filing" (RUF) outreach project which started in CY 1993; and various facets of IRS efforts to expand alternative ways of filing.

## Impact of Omnibus Budget Reconciliation Act of 1993

The recently enacted Omnibus Budget Reconciliation Act of 1993 (OBRA 93) is expected to alter most directly the projections of individual returns, the Form 1040X (amended individual return), and Form 720 (for excise taxes). In total, the effects of OBRA 93 on IRS forms and workload go well beyond these three basic return types. However, these were the areas in which the IRS expected to experience the most noticeable effects on projected trends, relative to the selected return types covered in the projections.

The new law greatly expands both the amount of, and the pool of taxpayers eligible for, the "earned income tax credit" (EITC), beginning with Tax Year 1994 (Calendar Year 1995 filings). For example, approximately 5 million

# Projections of Returns to be Filed in Calendar Years 1994-2000

taxpayers without children are expected to claim the EITC for the first time beginning in CY 1995 as a result of the new law. The increase in the allowable credit and in the number of returns with the credit impact the individual return projections in various ways. Nearly 1.4 million taxpayers who would have filed Form 1040EZ are now expected to move to the other IRS short form, Form 1040A, or to the "standard" (i.e., non-"TeleFile," as defined below) electronic filing option to claim the EITC, since the credit cannot be presently claimed on Form 1040EZ. Also, the growth in both the number (and dollar amount) of EITC returns is expected to add to the volume of returns filed electronically. This is because taxpayers who claim the EITC have a higher electronic filing participation rate than other taxpayers [3].

OBRA 93 is also expected to significantly increase the volumes of Form 1040X, *Amended U.S. Individual Income Tax Return*, in CY 1993 and CY 1994. These increases are expected based on unique aspects of the law that affect self-employed taxpayers with deductions for health insurance and other taxpayers who receive certain employer-provided educational assistance. Due to these

provisions, it is estimated that approximately 1.7 million taxpayers will submit amended returns in CY 1993 or 1994 to obtain refunds.

In the area of excise tax returns, OBRA 93 is expected to lower the volumes of Form 720 more than would otherwise be expected. These reductions will result from the repeal of parts of the luxury tax and the change in the point of taxation on diesel fuel. It is estimated that approximately 80,000 fewer Form 720 returns will be filed in the long run.

The impact of OBRA 93 on the projected return volumes, as well as other administrative factors affecting the projected trends, are noted further in the following section on Projections Highlights.

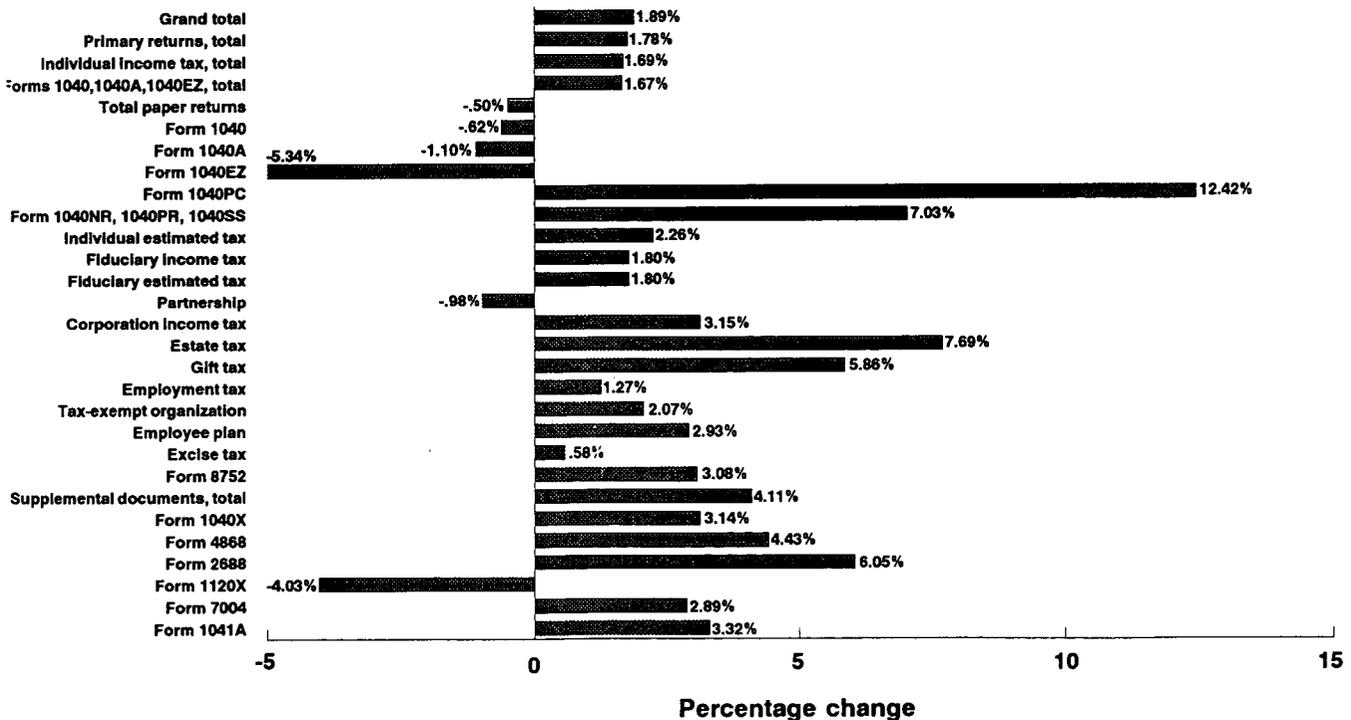
## Projections Highlights

### Grand Total Returns, Primary Returns, and Supplemental Documents

Grand total return projections suggest an annual average increase of 1.9 percent in the years 1994 through 2000 (Figure A)[4]. Primary returns, particularly individual, corporation, and employment tax returns, account for a major portion of the total filings and generate the majority

Figure A

## Projected Average Annual Percentage Change in the Number of Returns Filed, by Type of Return, Calendar Years 1994-2000



# Projections of Returns to be Filed in Calendar Years 1994-2000

**Figure B**

## Projections for Calendar Year 1994

[Number of returns is in thousands]

Type of return	1994 Projections	Percentage change from 1993 <sup>1</sup> (estimated)
<b>Grand total</b> .....	<b>215,501</b>	<b>2.63</b>
<b>Primary returns, total</b> .....	<b>201,904</b>	<b>2.09</b>
Individual income tax, total.....	117,909	2.15
Forms 1040, 1040A, 1040EZ, and 1040PC .....	117,477	2.14
Total paper returns.....	102,797	0.28
Paper Form 1040.....	59,734	-1.41
Paper Form 1040A.....	18,956	-6.36
Paper Form 1040EZ.....	18,042	7.58
Paper Form 1040PC.....	6,065	23.61
Total electronic returns.....	14,680	17.34
Standard electronic filing.....	14,128	14.27
TeleFile.....	553	272.03
Forms 1040NR, 1040PR, 1040SS... ..	432	6.36
Individual estimated tax.....	41,357	2.30
Fiduciary income tax.....	2,983	1.68
Fiduciary estimated tax.....	717	1.69
Partnership.....	1,543	-1.75
Corporation income tax.....	4,777	3.74
Estate tax.....	81	7.73
Gift tax.....	221	7.40
Employment tax.....	29,517	1.57
Tax-exempt organization.....	563	2.36
Employee plan.....	1,346	3.79
Excise tax.....	816	-3.40
Form 8752 <sup>2</sup> .....	73	1.67
<b>Supplemental Documents<sup>2</sup></b> .....	<b>13,597</b>	<b>11.56</b>
Form 1040X.....	3,166	33.76
Form 4868.....	6,175	6.95
Form 2688.....	2,061	8.89
Form 1120X.....	27	-3.93
Form 7004.....	2,128	1.91
Form 1041A.....	40	3.38

<sup>1</sup> Percentage changes for 1993 were based on estimated final counts of returns because complete information was unavailable at the time this table was compiled.

<sup>2</sup> Explanations of form numbers are presented in footnotes to Table 1, at the end of this article.

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

of IRS document processing workload. Of the 215.5 million grand total for returns projected to be filed in 1994, about 201.9 million were designated as "primary returns" and the remaining 13.6 million as "supplemental documents" (Figure B). Supplemental documents are mainly composed of amended returns and requests for filing extensions from both individuals and corporations [5].

### Individual Income Tax Returns

An estimated 117.9 million individual income tax returns are projected to be filed in 1994, with an average annual growth rate of 1.8 percent through CY 2000. However, this projected growth rate masks an unusual 1993 filing season that was characterized by fewer individual returns filed than previously projected. As shown in Table 1, total individual returns filed in CY 1993 are expected to be very close to their 1992 levels. This pattern is partly attributable to the "Reduce Unnecessary Filing" outreach

program which served to educate individuals filing returns needlessly.

### Forms 1040, 1040A, 1040EZ, and 1040PC

The Form 1040 series, consisting of Form 1040, short Forms 1040A and 1040EZ, and Form 1040PC, reflects the major individual income tax returns filed, either on paper or electronically. (Form 1040PC represents "paper" tax returns filed by taxpayers or paid preparers using an IRS-approved computer software-generated format rather than a specific type of tax form.) In 1994, a total of 117,477,000 returns in the Form 1040 series are projected to be filed, which is a 2.1 percent increase over the estimated 1993 volume. Variation in the mix within the form types and method of filing is quite pronounced, as discussed below.

### Total Paper Returns

Total "paper return" projections reflect a summation of the corresponding volumes of Forms 1040, 1040A, 1040EZ, and 1040PC. Eighty-seven percent of all Form 1040 series returns are projected to be filed by paper in CY 1994. By CY 2000, this percentage is expected to drop to 77, with electronically filed returns increasing to 23 percent (or over 30 million). These forecasts are largely extrapolations of existing trends and IRS is pursuing strategies to increase the level of electronic filing even further as part of its long-term strategic vision.

### Paper Form 1040

The "long" Form 1040 represents the lion's share of total paper returns and is projected to be about 58 percent of the total paper returns over the entire forecast horizon, from CY 1994 to CY 2000. As the volume of electronically-filed returns increases in the future, along with the growth in the use of the new 1040PC, the trend in paper Forms 1040 is expected to decline. This decline is projected to be at an average annual rate of decline of 0.62 percent through CY 2000.

### Paper Form 1040A

The paper Form 1040A trend is a bit volatile as the result of legislative and administrative factors. The projected 6.4 percent decline in CY 1994 is in response to new Form 1040EZ, allowing certain married taxpayers to use the latter for the first time, as well as the projected growth in "standard" electronic filings (described below) and the new Form 1040PC. The much smaller decline of 0.3 percent from CY 1994 to

# Projections of Returns to be Filed in Calendar Years 1994-2000

CY 1995 largely reflects the shift of former 1040EZ filers to the Form 1040A, in order to claim the EITC under the new OBRA 93 provisions. The subsequent slow decline and then eventual rise near the end of the forecast period reflects the net effects of the projected growth in combined standard electronic and Form 1040PC filings, with volumes eventually being overtaken by the underlying growth in the Form 1040A filing population.

• **Paper Form 1040EZ**

The paper Form 1040EZ trend will also be volatile in the future, particularly over the next 3 tax seasons. An estimated 7.6 percent annual increase in 1994 is expected, followed by a 10 percent decline in 1995 and another, 11 percent, decline in 1996. The decreasing trend continues over the entire forecast horizon at an average annual rate of 5.3 percent. This trend is largely the net result of administrative and legislative changes. The increase in CY 1994 is mostly in response to the form change allowing certain married taxpayers to use the Form 1040EZ. The steep decline in CY 1995 is partly attributable to OBRA 93 provisions relating to the expansion of EITC, as well as to the expansion of TeleFile (filing by telephone; see below). The sharp 1996 decline largely reflects the impact of nationwide implementation of TeleFile, while the overall decline through CY 2000 generally reflects the future growth in TeleFile.

• **Paper Form 1040PC**

In 1994, an estimated 6.0 million Forms 1040PC will be filed in place of the traditional paper Form 1040, Form 1040A, and Form 1040EZ. Form 1040PC has been available nationwide as an alternative to filing the traditional Form 1040, 1040A, and 1040EZ returns since 1992. This form allows taxpayers to file a computer-generated return on one or two sheets of paper, regardless of the number of schedules attached. Through 1996, there is an average expected annual growth of 20 percent. After 1996, the annual growth averages around 7.0 percent. The traditional paper return projections by form type have been adjusted to reflect the expected increase of Form 1040PC.

• **Forms 1040NR, 1040PR, 1040SS**

The total of Form 1040NR (*U.S. Non-Resident Alien Income Tax Return*), Form 1040PR (*U.S. Self-Employment Tax Return - Puerto Rico*), and Form 1040SS (*U.S. Self-Employment Tax Return - Virgin Islands, Guam, and American Samoa*) is increasing at an

**Figure C**

**Individual Income Tax Returns by Electronic Filing, Calendar Years 1994-2000**

[Number of returns is in thousands]

Type of return	Electronically-filed returns projections		Average annual percentage change
	1994	2000	
	(1)	(2)	(3)
Total electronic returns.....	14,680	30,167	13.60
Standard electronic filing....	14,128	24,525	10.42
TeleFile.....	553	5,642	86.93

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

average projected rate of 7 percent per year. Approximately 85 percent of this total reflects the Form 1040NR. Typically, Forms 1040NR are filed by nonresident aliens investing in limited partnerships.

• **Total Individual Electronic Returns**

The most recent projections of electronically filed (ELF) individual income tax returns call for 14.7 million to be transmitted in 1994 (Figure C). This figure includes nearly 553,000 TeleFile returns in a limited expansion of this test program. The longer range outlook for total ELF filings (which assumes nationwide implementation of TeleFile in CY 1996) calls for 30 million returns filed electronically by CY 2000. By that year, 81 percent (24.5 million) are expected to be "standard" electronic filings (defined below) and 19 percent (5.6 million), TeleFile returns.

• **Standard Electronic Returns**

Standard electronic returns are non-TeleFile returns transmitted through an authorized third party, typically by a paid-preparer. In 1994, about 14.1 million individual income tax returns are estimated to be processed through this medium. In general, these projections were based on time-series techniques that extrapolated the growth in participation rates (i.e., the proportion of standard ELF returns to total Form 1040 series returns) at the IRS District Office level. These baseline forecasts were increased somewhat to account for certain "off model" considerations, most notably an estimated additional 900,000 "standard" ELF returns beginning in CY 1995 as a result of the expansion of the EITC under OBRA 93.

• **TeleFile**

TeleFile gives certain taxpayers filing Form 1040EZ the option to file their returns using touch-tone telephones. During the CY 1993 filing season, over 148,000 Ohio taxpayers participated in the second year

## Projections of Returns to be Filed in Calendar Years 1994-2000

of testing of TeleFile as a filing option. In 1994, over 550,000 TeleFile returns are expected in an expansion of the program to include seven States (Ohio, Michigan, Indiana, Kentucky, West Virginia, South Carolina, and Florida). This new technology is expected to be expanded to more States in 1995 (Georgia, Alabama, North Carolina, Mississippi, Arkansas, Tennessee, Louisiana, and California), culminating in nationwide availability in CY 1996. An estimated 3.0 million TeleFile returns are expected in CY 1996, growing to 5.6 million by CY 2000. In general, these projections were based on anticipated participation rates drawn from the Ohio test experience and the total number of taxpayers eligible to use the Form 1040EZ[6].

### **Individual Declarations of Estimated Tax**

The *Individual Declaration of Estimated Tax* (Form 1040-ES) payment vouchers are filed when income is not subject to withholding (or if the withholding is expected to be inadequate). Income not subject to withholding includes income, such as from self-employment, interest, dividends, rents, or alimony. Estimated tax payment vouchers are usually filed on a quarterly basis depending upon the date the income was received. The projections have growth rates that range from 2.3 percent in 1994 to 2.1 percent in 2000. In 1994, there are 41.4 million Form 1040-ES vouchers projected to be filed, about 21 percent of the grand total of all returns. The Form 1040-ES projections are based on a time series model.

### **Fiduciary Income Tax Returns**

Form 1041 is filed by a fiduciary to report the income of an estate or trust. Annual growth for this return type from 1994 to 2000 is expected to average 1.8 percent. The projected growth is based on the anticipated increase in household net worth (a measure of wealth estimated in June 1993, by Data Resources, Incorporated) in 1982 dollars, a dummy variable for the impact of the Tax Reform Act of 1986 (TRA 86) and a linear time trend.

### **Fiduciary Estimated Tax Returns**

Form 1041-ES was created by TRA 86, which mandated that fiduciaries of estates and trusts make certain estimated income tax payments beginning with Tax Year 1987. In 1994, there are 716,900 Forms 1041-ES expected to be filed with an average annual growth of 1.8 percent through 2000. The projections were created by regressing the ratio of Forms 1041-ES to Forms 1041, based on 1987-1992 experience.

### **Partnership Returns**

*U.S. Partnership Return of Income* (Form 1065) is used to

report income, deductions, credits, and losses from the operation of a partnership. The purpose of this return is to show each partner's distributive share, to be reported on the individual (or other) income tax return. The projections call for an overall decline of 1.4 percent through 1997, and then a slower decline of 0.6 percent until 2000. Partnership counts continue to decrease in part because of the residual effect of TRA 86 in curbing tax shelters. This decline started in Calendar Year 1987 and has continued until now as indicated by the partial year (January 1-September 30, 1993) return counts. These forecasts, based on a time trend model, capture this decreasing trend.

### **Corporation Income Tax Returns**

Corporation income tax returns are the aggregate of *U.S. Corporation Income Tax Return* (Form 1120); *U.S. Corporation Short-Form Income Tax Return* (Form 1120A); *U.S. Income Tax Return for an S Corporation* (Form 1120S); and various other forms filed by such entities as real estate investment trusts, insurance and investment companies, homeowners associations, and others. In 1994, approximately 4.8 million returns are projected to be filed. The projected average annual percentage change in the number of returns through 2000 is 3.2 percent, which reflects a combination of econometric regression models using GDP and time series techniques based on past filing experiences.

In 1994, Form 1120, Form 1120S, and Form 1120A are projected to be 46 percent, 44 percent, and 7 percent of the total corporation returns filed, respectively. Due to TRA 86, certain corporations were able to take advantage of the lower individual income tax rates and switched from filing a Form 1120 to a Form 1120S. (S Corporations are taxed at the shareholder level.) The OBRA 93 legislation has the potential of reversing this trend, but the number of corporations expected to change back to filing Form 1120 is uncertain due to other business considerations which could lead a business entity to continue to file as an S Corporation. Thus, no "off model" adjustments were made in this area.

### **Estate Tax Returns**

*United States Estate Tax Return* (Form 706) applies to the transfer of property at death. Presently, those estates whose gross assets exceed \$600,000 are required to file a Form 706. Estate tax returns are expected to grow at an average annual rate of 7.7 percent through 2000. The estate total is the summation of the projections for three distinct groupings of estate returns: gross assets under \$1 million; between \$1 million and \$5 million; and \$5

## Projections of Returns to be Filed in Calendar Years 1994-2000

million and over. The methodologies used for these projections were ARIMA, exponential smoothing, and weighted moving average, respectively.

### Gift Tax Returns

*United States Gift Tax Return* (Form 709) is imposed on the gratuitous transfer of real or personal property which exceeds a certain dollar amount. Generally, the person making the gift (the donor) must file Form 709 to pay the tax. The 1994 projection calls for a 7.4 percent increase. The average annual growth rate for the period 1994-2000 is projected at 5.9 percent. These projections are based on a time trend of earlier years.

### Employment Tax Returns

The employment tax return count is a summation of seven employment forms: *Employer's Annual Federal Unemployment Tax Return* (Forms 940 and 940EZ); *Employer's Quarterly Federal Tax Return* (Form 941, including Form 941PR for employees in Puerto Rico, Form 941SS for employees in the Virgin Islands, Guam, and American Samoa, and Form 941E for State and local Government employees); *Employer's Quarterly Tax Return for Household Employees* (Form 942 and Form 942PR); *Employer's Annual Tax Return for Agricultural Employees* (Form 943 and Form 943PR); *Annual Return of Federal Withheld Income Tax* (Form 945); and *Employer's Annual Railroad Tax Return* (Form CT-1). Form 945 is a new return to be introduced for Tax Year 1994 (returns filed in Calendar Year 1995), as discussed in more detail below. The current employment return projections for CY 1994 and CY 1995, respectively, are 29.5 million and 30.2 million, with an average increase of 1.3 percent through 2000. The major contributor to the employment total is Form 941. The 1994 projection figure for Form 941 represents 22.0 million returns out of the total 29.5 million employment tax return total, or approximately 75 percent.

The methodology for the total employment tax return figure is the summation of all of the forms listed above. The regression models for Form 940, 940EZ, Form 941, and Form 941 PR/SS/E used employment measurements as independent predictor variables. Form 942, Form 942PR, Form 943, and Form 943PR were regressed on ARIMA models. Form CT-1 was forecasted by means of an exponential smoothing model.

Two areas of the total employment returns are espe-

cially noteworthy. First, the number of Forms 942 increased by approximately 5 percent in 1993 — the first such increase since 1966. This increase is likely the result of the nationwide political/media attention focused on this area, and some residual increases are expected to continue in the short run. Second, beginning in Tax Year 1994, the *Annual Return of Federal Withheld Income Tax* (Form 945) will be used to report non-payroll items such as "backup withholding" on interest and dividends, as well as tax withholding for pensions, annuities, and gambling winnings. The estimated volume for the new Form 945 in CY 1995 is just over 300,000 returns. Future growth of Form 945 is assumed to mirror the Form 941 trend.

### Tax-Exempt Organization Returns

Total tax-exempt organization returns are a summation of various forms. These include *Return of Organization Exempt From Income Tax* (Form 990); *Short Form Return of Organization Exempt From Income Tax*, (Form 990EZ); *Farmers' Cooperative Association Income Tax Return* (Form 990C); *Return of a Private Foundation (or Section 4947(a)(1) Trust Treated as a Private Foundation)* (Form 990PF); Form 990T, for the tax on "unrelated business income" of exempt organizations; Form 4720, for certain excise taxes on charities and other exempt organizations; and Form 5227, filed by "split-interest" trusts. In 1994, total tax-exempt organization returns are expected to grow 2.4 percent over 1993, to about 563,000 returns. The longer range projections for 1995 through 2000 call for an average annual growth of 2.0 percent.

The seven separate forms require a variety of forecasting methods. Form 990, Form 990EZ, Form 990PF, Form 990T, Form 5227, and Form 4720 were regressed on various time trends with dummy variables for TRA 86. Form 990C was regressed on the number of farm cooperatives published by the Department of Agriculture and a dummy variable.

### Employee Plans

Total employee plan returns, the sum of Forms 5500, 5500C/R, and 5500EZ, are projected to reach 1.3 million in 1994. They are expected to reach 1.6 million by 2000. The overall annual average growth rate is 2.9 percent from 1994 to 2000, reflecting recent experience.

### Excise Tax Returns

Total excise tax returns are the sum of the following four categories of returns: *Occupational Tax and Registration Return for Wagering* (Form 11C); *Quarterly Federal Excise Tax Return* (Form 720); *Tax on Wagering* (Form 730); and *Heavy Vehicle Use Tax Return* (Form 2290).

**Household employ-  
ment tax returns  
increased by about  
5 percent in 1993,  
the first such  
increase since  
1966.**

## Projections of Returns to be Filed in Calendar Years 1994-2000

Form 720 and Form 2290 represent about 91 percent of the total excise tax returns. Given the erratic filing history of Form 720, constant growth was estimated by a moving average. Form 730, Form 11C, and Form 2290 were regressed on time trends. The overall average annual growth rate from 1994 to 2000 is 0.6 percent. The passage of OBRA 93 repeals parts of the luxury tax and changes the point of taxation of diesel fuel. These provisions are expected to reduce the volume of Form 720 returns by approximately 80,000 returns in the long run.

### Form 8752

Form 8752 is filed annually by all partnerships and S Corporations electing either to maintain or establish a taxable year other than the required calendar year, as mandated by TRA 86. Prior to 1991, Form 8752 was encompassed in the Form 720 volumes. In 1994, an estimated 73,000 forms are projected to be filed, with an average annual growth rate of 3.0 percent through 2000. This reflects areas of growth in S Corporations and partnerships.

### Supplemental Documents

"Supplemental Documents" primarily comprise amended returns and requests for filing extensions. They are expected to climb from 10.7 million returns in CY 1992 to 12.2 million in 1993 to 13.6 in CY 1994. After this, the volume is expected to drop back down to 13.1 million returns in CY 1995, and then resume a relatively slower upward trend thereafter. The relatively sharp increases in CY 1993 and CY 1994 are attributed to the short-term increase in Form 1040X returns expected as a result of the OBRA 93 provisions dealing with self-employed taxpayers with health insurance deductions and employer-provided educational assistance.

### Projection Accuracy

In addition to understanding the forecasting models and

projected volumes, it is useful to consider the historical accuracy of the past projections when evaluating the future forecasts. Using the actual return counts for Calendar Years 1990 through 1992, two key measures of accuracy have been calculated — the "mean absolute error" (MAE) and the "mean absolute percentage error" (MAPE). The MAE is the average of the relevant "projection errors," regardless of whether the forecasts were overprojected or underprojected. The projection error is simply the actual result minus the projected volume. The MAPE is a similar measure, but based on percentages. The MAE and MAPE values are grouped by time horizons. The time horizon is determined by when the forecast was made and for what future year. For example, a forecast for CY 1990 made in 1987 would be part of the "three years ahead" time horizon. At each time horizon, the number of observations was held constant at three (i.e., forecasts made for CY 1990, CY 1991, and CY 1992) [7].

As shown in Figure D for the grand total and the primary total return categories, the MAPE's are generally in the 1 to 2 percent range for shorter-term forecasts, and 3 to 4 percent for longer-term projections. For total individual income tax returns, the corresponding MAPE's are below 1 percent, regardless of the time horizon. With a few exceptions, forecast error increases with the time horizon, i.e., 1-year MAPE's are lower than 2-year MAPE's, which, in turn, are lower than 3-year MAPE's, and so forth.

In general, the return category with the highest MAPE's is "supplemental documents" (where the MAPE's range from 7.52 percent to 37.83 percent). Total individual income tax returns have the lowest MAPE's (from 0.60 percent to 0.89 percent). The large projection error for supplemental documents is partly attributed to IRS decisions approving, then later rescinding, its plan to implement the Automated Processing of Extensions

Figure D

### Mean Absolute Error (MAE) and Mean Absolute Percentage Error (MAPE) Accuracy of U.S. Level Projections Based on Actual Return Counts for Calendar Years 1990 through 1992

Type of return	Mean absolute error (number of returns)				Mean absolute percentage error			
	1 year ahead	2 years ahead	3 years ahead	4 years ahead	1 year ahead	2 years ahead	3 years ahead	4 years ahead
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Grand total.....	1,163,587	3,800,947	6,005,653	8,024,020	0.57	1.86	2.94	3.91
Selected primary returns, total.....	1,697,531	2,222,197	3,277,797	5,084,364	0.88	1.15	1.69	2.61
Individual income tax.....	684,228	848,728	958,028	1,010,439	0.60	0.74	0.84	0.89
Partnership.....	135,358	226,391	407,391	480,791	7.95	13.44	24.61	28.99
Corporation income tax.....	94,283	150,450	218,917	205,883	2.17	3.41	4.91	4.64
Employment tax.....	354,238	495,605	747,638	1,158,005	1.24	1.73	2.61	4.04
Supplemental documents.....	777,956	4,013,544	2,727,923	2,939,689	7.52	37.83	25.83	27.82

NOTE: Number of returns is based on three observations at each horizon and is not additive.

## Projections of Returns to be Filed in Calendar Years 1994-2000

(APEX) program. At one time, APEX was expected to replace Form 4868 and 3688 requests for filing extensions, thus some prior forecasts called for zero filings in these areas.

The complete set of projections for 1994 through 2000 by form type is presented in Table 1.

### Notes and References

- [1] Economic and demographic variables were estimated by Data Resources, Incorporated, June 1993.
- [2] All statistics are for the year in which the tax returns were processed by the Internal Revenue Service, stated on a calendar year basis unless otherwise noted. The main calendar year projections discussed in this article are based on preliminary figures produced by the IRS Research Division; see *Calendar Year Return Projections for the United States, Regions, and Service Centers: 1994-2000*, Document 6186 (Revision 11-93), Research Division, Internal Revenue Service, U.S. Department of the Treasury. Final actual counts for all of Calendar Year 1993 were incomplete at the time this article was written. (For complete fiscal year counts, see U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Service Annual Report*, for Fiscal Year 1992.)
- [3] Unpublished Statistics of Income data.
- [4] The number of returns filed (as used in this article) represents returns processed at IRS service centers and posted to the IRS Master File system during a calendar year. The Master File system includes the Individual Master File (IMF), the Business Master File (BMF), and the Employee Plans Master File (EPMF).  
  
These figures do not include the number of information and withholding documents processed by the

IRS, such as interest and dividend statements on Forms 1099; and Forms W-2, *Wage and Tax Statement*. Information and withholding documents contain data for use in the IRS "information matching" programs (comparing amounts reported on an information return by payers with the amounts actually reported by taxpayers on their income tax return). They are not considered to be tax returns or supplemental documents. Most information documents are received on magnetic tape and processed at the IRS Martinsburg (West Virginia) Computing Center. For additional information, see U.S. Department of the Treasury, Internal Revenue Service, Research Division, *Calendar Year Projection of Information and Withholding Documents for the United States and Service Centers: 1993-2000*, Document 6961 (Revision 4-93).

- [5] See U.S. Department of the Treasury, Internal Revenue Service, Research Division, *Calendar Year Return Projections for the United States, Regions, and Service Centers: 1993-2000*, Document 6186 (Revision 12-93) for further explanation of return types.
- [6] U.S. Department of the Treasury, Internal Revenue Service, Research Division, *Calendar Year Projections of Individual Returns By Major Processing Categories*, Document 6187 (Revision 9-93).
- [7] For further discussion of the issue of projection accuracy, see U.S. Department of the Treasury, Internal Revenue Service, Research Division, *Calendar Year Projections of Individual Returns By Major Processing Categories*, Document 6187 (Revision 9-93) and Geiman, Russell R., Nichols, Bonnie L., De Wilde, Carolyn D., "How Are We Doing? An Analysis of Projection Accuracy," *The IRS Research Bulletin* (9-91), Internal Revenue Service, U.S. Department of the Treasury.

# Projections of Returns to be Filed in Calendar Years 1994-2000

**Table 1.—Number of Returns Filed or to be Filed with the Internal Revenue Service, Calendar Years 1992-2000**

[Numbers of returns are in thousands]

Type of return	Actual 1992	Estimated 1993 <sup>2</sup>	Projected						
			1994	1995	1996	1997	1998	1999	2000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Grand total</b> <sup>1</sup> .....	<b>205,981</b>	<b>209,963</b>	<b>215,501</b>	<b>219,530</b>	<b>223,800</b>	<b>228,086</b>	<b>231,895</b>	<b>235,703</b>	<b>239,410</b>
<b>Primary returns, total</b> .....	<b>195,261</b>	<b>197,775</b>	<b>201,904</b>	<b>206,418</b>	<b>210,113</b>	<b>213,826</b>	<b>217,151</b>	<b>220,484</b>	<b>223,739</b>
Individual income tax, total.....	115,047	115,427	117,909	120,480	122,489	124,603	126,361	128,126	129,796
Forms 1040, 1040A, 1040EZ, and 1040PC.....	114,719	115,021	117,477	120,017	121,992	124,069	125,790	127,515	129,143
Total paper returns.....	103,674	102,509	102,797	101,415	99,934	99,829	99,512	99,237	98,976
Paper Form 1040.....	64,734	60,588	59,734	58,947	58,546	58,501	58,335	58,186	57,995
Paper Form 1040A.....	20,398	20,244	18,956	18,892	18,559	18,524	18,532	18,609	18,702
Paper Form 1040EZ.....	17,060	16,771	18,042	16,207	14,417	13,666	12,889	12,070	11,286
Paper Form 1040PC.....	1,481	4,907	6,065	7,369	8,413	9,138	9,757	10,372	10,993
Total electronic returns.....	11,045	12,511	14,680	18,602	22,058	24,241	26,278	28,278	30,167
Standard electronic filing.....	10,919	12,363	14,128	17,345	19,012	20,565	21,956	23,276	24,525
TeleFile.....	126	149	553	1,257	3,045	3,676	4,322	5,002	5,642
Forms 1040NR, 1040PR, and 1040SS. <sup>3</sup> .....	328	406	432	463	497	533	571	611	653
Individual estimated tax.....	38,911	40,429	41,357	42,343	43,330	44,316	45,302	46,288	47,275
Fiduciary income tax. <sup>4</sup> .....	2,888	2,934	2,983	3,036	3,091	3,149	3,208	3,265	3,324
Fiduciary estimated tax.....	647	705	717	730	743	757	771	785	799
Partnership.....	1,609	1,571	1,543	1,520	1,502	1,487	1,476	1,469	1,466
Corporation income tax. <sup>5</sup> .....	4,518	4,605	4,777	4,938	5,098	5,253	5,403	5,559	5,720
Estate tax.....	70	75	81	87	94	101	109	117	126
Gift tax.....	171	205	221	238	254	269	282	294	306
Employment tax. <sup>6</sup> .....	28,717	29,061	29,517	30,206	30,600	30,908	31,184	31,458	31,739
Tax-exempt organization. <sup>7</sup> .....	538	550	563	576	588	599	611	623	635
Employee plan. <sup>8</sup> .....	1,244	1,297	1,346	1,392	1,435	1,476	1,515	1,552	1,587
Excise tax. <sup>9</sup> .....	832	845	816	797	812	828	845	862	878
Form 8752. <sup>10</sup> .....	71	72	73	75	78	81	83	86	89
<b>Supplemental documents, total</b> .....	<b>10,720</b>	<b>12,188</b>	<b>13,597</b>	<b>13,112</b>	<b>13,687</b>	<b>14,260</b>	<b>14,744</b>	<b>15,219</b>	<b>15,671</b>
Form 1040X. <sup>11</sup> .....	1,995	2,367	3,166	2,065	2,141	2,215	2,274	2,331	2,383
Form 4868. <sup>12</sup> .....	5,067	5,773	6,175	6,554	6,844	7,134	7,370	7,601	7,815
Form 2688. <sup>13</sup> .....	1,610	1,893	2,061	2,225	2,361	2,499	2,620	2,739	2,854
Form 1120X. <sup>14</sup> .....	27	28	27	26	25	24	23	22	21
Form 7004. <sup>15</sup> .....	1,984	2,088	2,128	2,201	2,273	2,344	2,412	2,480	2,550
Form 1041A. <sup>16</sup> .....	37	39	40	41	43	44	45	47	48

<sup>1</sup> Excluded from all totals are the following "Non-Master File" returns: Forms CT-2, 941M, 990BL and 1120-IC-DISC. Also excluded are withholding and information documents, including forms such as W-2 and the 1099 series and related others.

<sup>2</sup> Estimate, including that for some corporations, is based on returns processed through part of 1993. The actual number filed in CY 1993 was unavailable when this table was compiled.

<sup>3</sup> Form 1040X is included under "Supplemental documents," below.

<sup>4</sup> Forms 1041; Form 1041A is included under "Supplemental documents," below.

<sup>5</sup> Includes Forms 1120, 1120A, 1120F, 1120H, 1120L, 1120POL, 1120S, 1120DF, 1120FSC, 1120PC, 1120REIT and 1120RIC; Form 1120X is included under "Supplemental documents," below.

<sup>6</sup> Includes Forms 940, 940EZ, 940PR, 941, 941E, 941PR, 941SS, 942, 942PR, 943, 943PR, 945 (starting Calendar Year 1995), and CT-1.

<sup>7</sup> Includes Forms 990, 990EZ, 990C, 990PF, 990T, 4720 and 5227.

<sup>8</sup> Includes Forms 5500, 5500C, 5500EZ and 5500R.

<sup>9</sup> Includes Forms 11C, 720, 730 and 2290; excludes Forms 11 and 5000.24 which are filed with the Bureau of Alcohol, Tobacco and Firearms, U.S. Department of the Treasury, instead of with the Internal Revenue Service.

<sup>10</sup> Form 8752 is filed by partnerships and S Corporations electing either to maintain or establish any taxable year other than the required calendar year.

<sup>11</sup> Individual amended return.

<sup>12</sup> Individual request for automatic filing extension.

<sup>13</sup> Individual request for additional filing extension.

<sup>14</sup> Corporation amended return.

<sup>15</sup> Application for automatic extension of time to file corporation income tax returns.

<sup>16</sup> Trust accumulation of charitable amounts.

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

# SOI Abstracts

The abstracts which follow are reprinted here to inform readers about methodological, analytical and descriptive papers written by Statistics of Income (SOI) Division personnel or researchers using SOI data, about SOI data or about their methodological research. These papers were either presented at formal conferences or meetings and printed in "proceedings" or other published volumes or were invited papers for professional journals. Copies of the papers may be obtained by writing to the Acting Director, Statistics of Income Division, CP:S, Internal Revenue Service, P. O. Box 2608, Washington, DC 20013-2608, or by calling the SOI Statistical Information Services office on (202) 874-0410.

## 1993 Proceedings of the American Statistical Association, Section on Survey Research Methods

### **The Family That Pays Together: Introducing the Tax Family Concept with Preliminary Findings, John L. Czajka and Allen L. Schirm**

A major feature of the recent redesign of the Statistics of Income (SOI) sample of individual tax returns is the collection of data for entire tax families, rather than just filing units. A tax family includes all returns that are linked by dependency — for example, two parents' joint return plus the returns of all children whom they claim as dependents. It is hoped that the availability of data on tax families will reduce policy makers' need to rely on simulated or statistically matched family data for tax policy modeling. This paper describes the implementation of the tax family concept by the SOI Division of the Internal Revenue Service and presents preliminary results on the success achieved in collecting and linking tax family returns.

### **Enriching One Sample While Improving Another: Linking Differently Stratified Samples of Documents Filed by Tax-Exempt Organizations, James M. Harte and Cecelia H. Hilgert**

The Statistics of Income (SOI) program of the Internal Revenue Service regularly samples documents from some types of tax-exempt organizations. It also regularly samples documents covering taxable activities (if any) of tax-exempt organizations in general. Stratifying variables and population sizes differ for the two samples. Starting with the samples for 1993, tax exempt sample records will be enriched with taxable activity data through the other sample. This could have burdened the other sample with less useful units and/or crowded out useful units. A new sample design has been developed so that this doesn't happen. The design builds on specific sampling techniques in use at SOI. The stratifiers from each sample are used jointly. Population projections were made from a special study linking the 1988 samples.

### **Comparing Advance and Final Estimates: 1990 SOI Corporate Sample, Susan Hinkins and John Czajka**

The Internal Revenue Service prepares several sets of estimates for its corporate Statistics of Income program. The final estimates of financial variables, calculated from the sample of 1990 corporations, were completed in January 1993. Advance estimates of the same population quantities were provided in May 1992. The advance data estimates were made before the sample was complete; the missing data were estimated using a very simple model. In addition, a great deal of data checking is performed between the end of the sampling and the calculation of the final estimates. This paper examines the differences between the preliminary and the final estimates in terms of both sampling and nonsampling error components.

### **Membership in a Linked Panel of Individual Tax Returns: Review and Results, Susan C. Hostetter**

This paper discusses the review and correction process IRS conducted on its 1985 Sales of Capital Assets Study. In that effort linked tax returns for a panel of 13,000 individual taxpayers for Tax Years 1985 through 1990 were examined. The panel will be used primarily to measure changes in reported capital gains transactions, as well as analyzing changes in distributional income. The accuracy of such measurements of change will be directly dependent upon linking individuals accurately across years. IRS plans to develop these panel data, including records of capital gains transactions as a public-use file. Since the public-use file will include weights for annual cross-sectional estimates as well as measures of change across years, applying the weights accurately is essential. The focus of this paper is the correction process, including results of the review.

**Statistics of Income Partnership Studies: Evaluation of the Revised Sampling Plan, *Paul B. McMahon***

*McMahon*

Over the 40 year history of the Internal Revenue Service's annual Statistics of Income Partnership studies, the sample designs have been revised to meet changes in the economy, tax laws and processing environment. The most recent modifications were implemented last year. We examine the design's projections and assumptions in view of what actually occurred. The results of this review are then incorporated into modifications to that design.

**1993 Proceedings of the American Statistical Association, Section on Quality and Productivity**

**Using Multiple Imputation to Estimate the Effect of Data Entry Errors, *Barry Johnson, R. Louise Woodburn and Vicki A. Cutwright***

The Statistics of Income Division (SOI) of the Internal Revenue Service is charged with collecting data from tax returns for use by government and private researchers in the analysis of tax policy and the economy. The data are collected by workers at IRS service centers nationwide, who have the responsibility for capturing or "editing" data from these returns according to detailed specifications. As a part of its ongoing quality improvement efforts, SOI has recently instituted the regular, blind re-editing of a sample of this work. The original and second edits are computer matched and the resulting discrepancies are noted and then corrected.

This paper examines the use of error data captured by the "double-edit" review system to estimate the bias and variance due to editing errors. Specifically, multiple imputation techniques are applied to the uncorrected portion of the database to impute "correct" values based on models created using the distribution of the errors observed in our reviewed sample. The resulting "corrected" database is then used to compute the bias and variance estimates. This component of variance is then compared with the total variance, as estimated using standard bootstrapping techniques. Finally, suggestions for future research are discussed.

**Estimating Toll-Free Telephone Demand: Customer Retrial Behavior and Blocking Rate, *Robin Lee***

In 1992, the American taxpayers made over 120 million call attempts to obtain the Internal Revenue Service (IRS) toll-free telephone assistance service. Since some taxpayers have to try more than once to get through, equating the number of call attempts to the number of unique taxpayers results in multiple counting of some people. Over the years, the IRS used different models to estimate the percentage of blocked calls that should be added to the number of answered calls to account for the callers who stop retrying after a series of failed attempts. All IRS models assumed that retry probability is related to the level of blocking. The recent development in caller ID technology made it possible to calculate the actual retry probability. The purpose of this study is to describe the relationship between retry and blocking rate and to evaluate the validity of various models' assumptions.

**A Quality Measures Plan Within the IRS: A Case Study, *Glenn D. White, Jr.***

One of the stated missions of the Internal Revenue Service is to serve the public by continually improving the quality of its products and services. The IRS currently offers telephone assistance to taxpayers seeking help with their individual returns. There are also telephone operations for payment arrangements, ordering forms, and responding to notices or letters. The Telephone Routing Interactive System (TRIS) helps advance the development of automated applications. The applications permit the IRS to move from an agency where telephone assistance work is scattered throughout a number of functional areas to one where customer service telephone assistance is centralized. This paper reports on the measurement plan developed for the first pilot of the TRIS with two of the five functional areas that will eventually be incorporated into the automated routing system.

**1993 Proceedings of the American Statistical Association, Section on Business and Economic Statistics**

**The Effects of Tax Reform on the Structure of U.S. Business, *Tom Petska***

The 1980's have been described as a period in which "taxes came to dominate the public agenda." The decade began with a large tax reduction in 1981 and was followed with annual tax increases in 1982-1984. Public debate on taxation from 1984-1986 culminated with the passage of the 1986 Tax Reform Act, the most comprehensive revision of the U.S. Tax Code ever enacted. Even the later years of the decade had substantial changes enacted in taxation, particularly for health care and user fees. With each of these tax law changes, incentives and disincentives were created or removed from entities in the business sector. In some instances, substantial changes in business legal structure were predicated as a result. This paper is an examination of how the various types of business — corporations, partnerships, and proprietorships — fared in the 1980's in terms of changes in numbers, gross business activity, and profitability, as a result of changes in the shape of the "playing field."

**Effects of the Corporate Alternative Minimum Tax: An Overview of Tax Years 1990 and 1991, *Patrice Treubert and Amy Gill***

The alternative minimum tax (AMT) was created in the Tax Reform Act of 1986 to deter taxpayers with significant incomes from avoiding tax liability. After relatively stable AMT payments from three tax years (1987, 1988, and 1989), there was a dramatic increase in the amount of AMT reported in tax year 1990. Preliminary data from 1991 indicate a drop in AMT, almost to pre-1990 levels. This paper examines what groups of corporate taxpayers accounted for the large increase in the AMT in 1990. Some causes of the 1990-1991 decrease in AMT reporting are examined. It concludes with a summary, analyzing trends in AMT payments.

**1993 Proceedings of the American Statistical Association, Section on Government Statistics**

**Measuring Taxpayer Burden in the Internal Revenue Service: Processing Years 1989 Through 1991, *Eric T. Falk and Mary Batcher***

Reducing taxpayer burden is one of the major objectives of the IRS and is an integral part of IRS efforts to increase voluntary compliance with tax filing requirements. This paper presents the results from a recent on-going study on taxpayer burden conducted in the Statistics of Income Division of the IRS. The results presented are based on a sample of returns filed in 1989, 1990, and 1991, and makes use of the tax administration data for these analytic purposes.

For purposes of this study, taxpayer burden was defined as the amount of time IRS has some relationship with the taxpayer. We do not define taxpayer burden in terms of the amount of time that it takes to fill out a return, but the amount of time the return is in some kind of active status with the IRS. We have results that follow the amount of time a taxpayer's return has remained in the following major IRS processes: examination, underreporter, returns processing, and total elapsed time in the system. The focus of the paper is on the results. There is also discussion on the limitations of the data and the sampling methodology.

**Self-Employed Nonfilers — Who Are They? How Can We Identify Them?, *Laura R. Rosage***

At the Internal Revenue Service (IRS) much effort recently has been put into profiling nonfilers of tax returns. We are searching for common characteristics and reasons why they do not file. With this information we can better customize education and services, as well as enforcement approaches, to increase voluntary compliance levels and decrease the number of nonfilers.

Self-employed nonfilers are of concern to the IRS because a higher proportion of them fail to file as compared to the nonfiling population, in general. Most self-employment income is not subject to information reporting or withholding. Because of this, the information return-based operational program may not detect these nonfilers. Using IRS' Taxpayer Compliance Measurement Program survey data, it is possible to assemble broad demographic portraits of the nonfiler population. This paper concentrates on the self-employed nonfilers and provides answers to some questions that will help the IRS in its attempt to identify and find them. Questions examined include: Where are they most likely to reside? What is the average income? How old are they? What is their occupation?

**How Well Can IRS Count the Population?, *Peter Sailer, Mike Weber, and Ellen Yau***

This paper indicates that a very large percentage of the United States population is covered either by tax returns (as filers or dependents) or by information documents filed by the individuals' employers or other payers. The paper further refines the estimates presented last year by providing additional information on the overlap between tax return filers, dependents, and information document recipients. It also shows distributions of the IRS "population" by age and sex, and compares these distributions to data from the 1990 Census. It analyzes the characteristics of individuals covered by the Census, but not by IRS records (as well as the reverse, if indicated by the data).

**1993 Proceedings of the American Statistical Association, Social Statistics Section**

**Sampling for Wealth and Income Data Using Frame Information on Past Income, *Arthur B. Kennickell***

The Survey of Consumer Finances is designed to provide an adequate representation of income and wealth, both highly-skewed distributions. To this end, the survey includes as a part of its sample design a list sample drawn from administrative records maintained by the Statistics of Income Division of the IRS (SOI). These records, which are available for the purposes of sample design and nonresponse adjustment, contain information derived from tax returns filed the year before the survey is conducted. Although the complete SOI data and sample data are never matched, selected pieces of information are passed between the datasets for purposes of nonresponse adjustment. Using this information, this paper looks at issues of systematic nonresponse, reliability of sampling based on only one year of income data, and the possibility of underreporting of some assets. The paper also addresses some of the defects in the sample design and raises a number of possible means of improving the design.

**Statistics of Income: Turning Administrative Systems Into Information Systems—1993**

**The Effects of Corporate Alternative Minimum Tax: Additional Results From Panel Data for 1987-1991, *Geraldine Gerardi, Hudson Milner, and Gerald Silverstein***

This paper describes corporate taxpayers' experience with alternative minimum tax (AMT) during the period 1987-1991. It reports the number of taxpayers with AMT liabilities and various characteristics of those taxpayers including AMT and regular tax liabilities. A panel of corporations is used to show the effect of duration of AMT status on tax liabilities, both through the incurred AMT liability and the later use of AMT credits. The paper shows that AMT accounts for a relatively small fraction of total taxes paid by corporations that were AMT taxpayers during the period. This is because most firms had AMT liabilities for only a part of the period. However, the AMT continues to affect many corporations that are no longer AMT taxpayers through the limitation on the use of AMT credits and general business credits. The panel is used to examine in detail the length of time after AMT liabilities are incurred that the limitations continue to affect corporations.

**The Underlying Methodology of the Estate Multiplier Technique, Recent Improvements for 1989, *Barry W. Johnson and R. Louise Woodburn***

Estimating personal wealth is an area of increasing interest, particularly in these economically uncertain times. The concentration of wealth in the United States and the characteristics of the very wealthy, and of their portfolios, have important implications for law makers, social planners, and marketers. There are, however, few sources of data from which to derive these important estimates.

The Internal Revenue's Statistics of Income Division produces estimates of wealth for America's most wealthy individuals from Federal estate tax return data using the estate multiplier technique. This paper details the underlying methodology of this technique from the properties of the estate tax sample, to improvements made using information on mortality differentials between the wealthy and the general population. Additionally, the variance contributions of each step and the effects of perturbing the underlying assumptions are discussed. We then compare our results with estimates from other sources such as the Federal Reserve Board's Survey of Consumer Finances. Finally, suggestions for future research and improvements in this are discussed.

**Hospital Care in America: A Comparative Analysis of Nonprofit and For-Profit Providers, *Alicia Meckstroth***

Hospitals represent nearly 40 percent of total U.S. health care expenditures and obviously play a significant part in providing quality health care. Today there is more competition than ever between tax-exempt, nonprofit hospitals and corporate, for-profit hospitals; and this raises questions regarding the effectiveness and appropriateness of these two types of health care providers. During much of the 1980s both types of hospitals experienced budgetary strains and the holdings of for-profit hospitals grew at three times the rate of those of nonprofit hospitals. The increasing role of for-profit hospitals and hospital chains has restructured a sector of the economy that was once dominated by nonprofit hospitals.

Through an examination of comparative financial indicators such as asset and revenue growth rates, operating margins, debt-to-equity ratios, and returns on equity, this paper examines key economic differences between nonprofit and for-profit hospitals, including the advantage of tax-exemption for the nonprofits. The results show that the nonprofit hospitals earned higher operating margins, had notably lower debt-to-equity ratios, and earned similar returns on equity when compared to the for-profit hospitals. However, after accounting for the nonprofit advantage of tax-exempt bond financing, the for-profit hospitals earned higher operating margins and higher returns on equity than did the nonprofits. This analysis is primarily based on hospital financial data from tax reporting years 1987 through 1989 as collected by the Internal Revenue Service from the Form 990: "Return of Organization Exempt from Income Tax," and the Form 1120: "U.S. Corporation Income Tax Return."

**Trust and the Federal Statistical System, *Fritz Scheuren***

In April 1993, Janet Norwood (former Commissioner of the Bureau of Labor Statistics) addressed the Washington Statistical Society, discussing her experience with the Federal statistical system and describing her view of prospects for its future. This paper is part of an effort to continue the dialogue which Norwood began, in an attempt to "re-engineer" the statistical system.

The author, still an advocate of Total Quality Management, discusses some specific ideas he has for changing our process of doing business, so as to improve cooperation and trust among the statistical agencies — and with the public — while maintaining our current decentralized system and taking advantage of the technological innovations that abound. The need for benchmarking, customer-driven change, stronger customer-supplier relationships, and a common vision are discussed in the context of some of the major statistical problems we face, including privacy and record linkage.

**Magnificent Seven Quality Tools Workshops, *Otto Schwartz***

A series of articles in the American Society for Quality Control's Quality Progress on the seven basic quality tools inspired us to utilize them as training aids in our quality improvement process. We subsequently developed seven customized workshops around these articles, each one covering one of the seven tools: flowchart, cause-and-effect diagram, control chart, histogram, checksheet, pareto chart, and scatter diagram. The paper describes how we planned, developed, and implemented the workshops. It also points out what worked and what didn't and the modifications we made along the way to satisfy the needs of the customers, our employees.

**Survey Methodology (A journal published by Statistics Canada, June 1993)**

**Regression Analysis of Data Files that are Computer Matched, *Fritz Scheuren and William E. Winkler***

This paper focuses on how to deal with record linkage errors when engaged in regression analysis. Recent work by Rubin and Belin (1991) and by Winkler and Thibaudeau (1991) provides the theory, computational algorithms, and software necessary for estimating matching probabilities. These advances allow us to update the work of Neter, Maynes, and Ramanathan (1965). Adjustment procedures are outlined and some successful simulations are described. The results are preliminary and intended largely to stimulate further work.

**Voluntas (International Journal of Voluntary and Nonprofit Organizations, quarterly; forthcoming in early 1994)**

**Tax-Based Research and Data on Nonprofit Organizations, *Daniel F. Skelly***

Tax-exempt, nonprofit organizations represent a significant and growing sector within the U.S. economy. Between 1975 and 1990, assets of tax-exempt organizations increased in real terms by over 150 percent while revenue increased by over 227 percent. This compares to a growth in real GDP (gross domestic product) of 52 percent over the same period.

A variety of tax policy issues on tax-exempt organizations and the nonprofit sector can be addressed using several sources of data collected by the IRS from Federal information and tax returns of exempt organizations. The Statistics of Income (SOI) Division, using sample data, conducts studies of many of the different components of the tax-exempt sector, including nonprofit charitable organizations, organizations exempt under sections 501(c)(4)-(c)(9), private foundations and 4947(a)(1) charitable trusts, and the unrelated business income of tax-exempt organizations. Income statement, balance sheet, and other financial data as well as a great amount of nonfinancial information are collected in these SOI studies.

The primary purposes of this article are, first, to document the role of the nonprofit sector in the U.S. economy and the evolving growth and change within the sector from the mid-1970s through the present; and, second, to describe the ongoing SOI studies of tax-exempt organizations, the products and services available through SOI, and the future statistical plans at SOI for data collection and analysis of tax-exempt organizations and the nonprofit sector.

**Proceedings of the International Conference on Establishment Surveys**

**Statistics of Income Division's Uses of Administrative Business Tax Records: An Overview, *Jeri Mulrow, Susan Hinkins, and Jonathan Shook***

The Statistics of Income (SOI) Division of the Internal Revenue Service (IRS) has been collecting information from tax returns for economic study since 1916. From 1916 through 1951 a complete census was taken, after that sampling was employed to produce the statistics. The environment has and continues to change greatly over time. Properties of the population change; the users' needs change; budgets change; computer capabilities and relative costs have greatly improved and are still changing. Although SOI had been making incremental changes to keep up with the times, it may be time for a "long jump" to meet the changing needs of the users and take advantage of the changes in technology. This paper presents some historical background, describes the current corporate program, and gives some examples of the directions to move for the "long jump."

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**Notice:** The data on the following pages are the latest and most accurate available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

# Selected Historical and Other Data

**Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1970-1991**

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

Item	1970	1975	1980	1985	1989	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All returns</b> .....	<b>74,279,831</b>	<b>82,229,332</b>	<b>93,902,469</b>	<b>101,660,287</b>	<b>112,135,673</b>	<b>113,717,138</b>	<b>114,730,123</b>
Form 1040 returns.....	74,279,831	54,527,726	57,122,592	67,006,425	71,563,456	69,270,236	68,992,987
Form 1040A returns.....	N/A	27,701,606	36,779,877	18,124,702	20,478,063	25,917,288	26,605,992
Form 1040EZ returns.....	N/A	N/A	N/A	16,529,160	20,094,154	18,529,614	19,131,143
<b>Adjusted gross income (AGI)</b> <sup>1</sup> .....	<b>631,692,540</b>	<b>947,784,873</b>	<b>1,613,731,497</b>	<b>2,305,951,483</b>	<b>3,256,358,156</b>	<b>3,405,427,348</b>	<b>3,484,533,661</b>
Salaries and wages:							
Number of returns.....	66,965,659	73,520,046	83,802,109	87,198,001	95,487,922	96,729,912	97,066,245
Amount.....	531,883,892	795,399,462	1,349,842,802	1,928,200,978	2,449,530,553	2,599,401,271	2,674,260,752
Taxable interest received:							
Number of returns.....	32,630,355	40,378,240	49,019,575	64,526,434	69,881,648	70,369,662	70,161,547
Amount.....	22,021,267	43,433,554	102,009,444	182,109,194	220,015,823	227,083,888	209,411,465
Tax-exempt interest: <sup>2</sup>							
Number of returns.....	n.a.	n.a.	n.a.	n.a.	3,730,291	3,916,925	4,128,715
Amount.....	n.a.	n.a.	n.a.	n.a.	37,589,693	40,228,405	43,111,140
Dividends in AGI: <sup>3</sup>							
Number of returns.....	7,729,939	8,853,491	10,738,982	15,527,579	23,079,592	22,904,441	23,228,826
Amount.....	15,806,924	21,892,126	38,761,253	55,046,351	81,309,036	80,168,536	77,284,498
Business or profession net income:							
Number of returns.....	4,827,064	5,434,857	6,305,794	8,640,701	11,017,545	11,221,925	11,549,015
Amount.....	33,542,837	44,861,623	66,995,010	98,775,563	152,416,377	161,657,252	162,870,485
Business or profession net loss:							
Number of returns.....	1,332,921	1,807,685	2,575,325	3,259,640	3,143,151	3,415,666	3,480,310
Amount.....	2,988,636	5,440,145	11,865,856	20,002,986	19,678,697	20,227,059	21,006,471
Net capital gain in AGI: <sup>5</sup>							
Number of returns.....	5,488,224	5,798,724	6,973,930	9,991,808	10,722,512	9,217,141	10,394,928
Amount.....	10,655,553	16,034,430	32,723,298	72,183,321	153,513,725	123,783,047	111,442,947
Net capital loss in AGI:							
Number of returns.....	2,474,439	2,513,399	1,955,544	2,667,409	4,337,150	5,070,741	4,614,075
Amount.....	1,648,870	1,727,272	3,063,698	3,905,541	7,882,795	9,551,854	8,667,127
Pensions and annuities in AGI: <sup>6</sup>							
Number of returns.....	3,249,558	5,088,937	7,373,704	13,133,295	16,816,830	17,014,091	17,907,232
Amount.....	7,878,808	20,886,871	43,339,736	95,096,003	147,358,442	159,294,448	176,501,725
Unemployment compensation in AGI: <sup>7</sup>							
Number of returns.....	N/A	N/A	1,798,210	4,771,546	7,175,322	8,014,136	9,931,421
Amount.....	N/A	N/A	2,028,456	6,355,539	12,095,062	15,453,147	23,309,714
Social security benefits in AGI:							
Number of returns.....	N/A	N/A	N/A	2,956,073	4,675,100	5,082,575	5,333,413
Amount.....	N/A	N/A	N/A	9,594,182	17,347,058	19,686,539	21,359,312
Rent net income: <sup>8</sup>							
Number of returns.....	3,595,041	3,737,264	3,653,996	3,541,964	3,766,547	3,933,823	4,025,577
Amount.....	4,884,370	8,053,918	13,664,671	16,340,908	23,912,182	25,886,388	27,447,747
Rent net loss: <sup>9</sup>							
Number of returns.....	2,456,606	2,834,547	3,809,821	5,390,750	5,245,122	5,163,186	5,101,001
Amount.....	2,457,918	4,621,220	13,464,274	36,163,023	33,301,182	33,450,215	33,252,799
Royalty net income: <sup>9</sup>							
Number of returns.....	473,160	547,192	707,018	960,701	1,104,224	1,170,627	1,205,808
Amount.....	877,106	1,867,085	4,213,345	7,243,748	4,047,260	4,534,436	4,863,698
Royalty net loss: <sup>9</sup>							
Number of returns.....	32,691	24,809	37,287	77,189	61,368	49,133	43,097
Amount.....	70,741	97,700	308,361	385,360	99,096	125,855	111,869
Partnership and S Corporation net income:							
Number of returns <sup>10</sup> .....	2,200,000	2,500,000	3,200,000	2,477,459	3,098,635	3,210,384	3,164,227
Amount <sup>10</sup> .....	12,637,912	12,811,091	10,099,346	48,477,552	107,373,738	112,029,507	109,117,232
Partnership and S Corporation net loss:							
Number of returns <sup>11</sup> .....	(12)	(12)	(12)	3,010,212	2,829,653	2,767,074	2,335,233
Amount <sup>11</sup> .....	(12)	(12)	(12)	51,004,143	44,281,682	45,007,276	45,926,843
Estate or trust net income:							
Number of returns.....	573,700	676,691	865,381	1,075,119	470,841	444,953	414,875
Amount.....	1,533,321	2,740,733	4,974,127	10,328,599	4,502,464	4,633,163	4,313,452
Estate or trust net loss:							
Number of returns.....	41,473	56,990	40,916	73,534	81,656	74,127	62,331
Amount.....	84,521	186,410	414,096	652,621	543,568	467,976	608,053
Farm net income:							
Number of returns.....	1,792,438	1,340,485	1,123,085	891,562	1,029,336	996,360	934,032
Amount.....	5,688,226	10,112,147	9,938,950	6,493,117	11,498,065	11,395,305	9,544,222
Farm net loss:							
Number of returns.....	1,234,092	1,414,556	1,485,345	1,729,299	1,330,382	1,324,793	1,356,876
Amount <sup>13</sup> .....	2,899,513	6,548,822	11,731,416	18,498,600	11,712,004	11,829,067	12,397,229
Total statutory adjustments:							
Number of returns <sup>14</sup> .....	6,370,552	9,024,255	13,148,919	37,763,418	9,926,729	16,648,032	16,990,443
Amount <sup>14</sup> .....	7,665,251	15,101,999	28,614,061	95,082,299	24,572,969	33,974,231	34,716,128
Individual Retirement Arrangements: <sup>15</sup>							
Number of returns.....	N/A	1,211,794	2,564,421	18,205,846	5,824,914	5,223,737	4,666,078
Amount.....	N/A	1,436,443	3,430,894	38,211,574	10,828,694	9,858,219	9,030,177
Self-employed retirement plans:							
Number of returns.....	591,655	595,892	568,936	675,822	822,353	824,327	840,087
Amount.....	847,692	1,603,788	2,007,666	5,181,993	6,326,156	6,777,645	6,912,855
Married couples who both work:							
Number of returns.....	N/A	N/A	N/A	24,835,278	N/A	N/A	N/A
Amount.....	N/A	N/A	N/A	24,614,983	N/A	N/A	N/A

# Selected Historical and Other Data

**Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1970-1991--Continued**

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

Item	1970	1975	1980	1985	1989	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Exemptions:</b>							
Number of exemptions, total... <sup>16</sup>	204,126,402	212,202,596	227,925,098	244,180,202	223,756,252	227,549,246	231,296,627
Number, age 65 or over	8,904,331	9,937,208	11,847,168	16,748,810	N/A	N/A	N/A
Amount... <sup>16</sup>	127,531,202	159,140,845	227,569,280	253,720,447	447,129,806	465,985,366	491,084,150
<b>Total deductions:</b>							
Number of returns... <sup>17</sup>	73,862,448	81,585,541	88,491,251	96,848,626	111,311,212	112,795,712	113,794,693
Amount... <sup>17</sup>	120,549,755	233,181,778	346,000,155	554,733,523	740,409,033	789,941,575	818,773,883
<b>Standard deductions...<sup>18</sup></b>							
Number of returns, total	38,432,401	55,511,480	59,540,969	57,000,442	79,338,895	80,620,774	81,304,774
Amount...	32,371,271	100,921,181	127,972,016	149,709,998	309,431,034	331,456,520	351,076,010
<b>Returns with additional standard deductions for age 65 or blindness:</b>							
Number of returns.....	N/A	N/A	N/A	N/A	10,551,521	10,954,167	11,038,416
Amount.....	N/A	N/A	N/A	N/A	9,452,043	10,615,715	10,979,059
<b>Itemized deductions...<sup>19</sup></b>							
Number of returns.....	35,430,047	26,074,061	28,950,282	39,848,184	31,972,317	32,174,938	32,489,919
Amount... <sup>19</sup>	88,178,487	122,260,601	218,028,139	405,023,525	430,977,999	458,485,055	467,697,873
<b>Medical and dental expense: <sup>20</sup></b>							
Number of returns.....	27,437,549	19,483,273	19,458,318	10,777,296	5,128,338	5,090,958	5,338,966
Amount.....	10,585,749	11,422,312	14,972,082	22,926,214	20,920,881	21,456,587	23,726,112
<b>Taxes paid:<sup>21</sup></b>							
Number of returns.....	35,160,636	25,929,082	28,749,278	39,548,023	31,392,533	31,594,114	31,968,878
Amount.....	32,014,673	44,141,289	69,404,275	128,084,618	131,299,652	140,011,461	147,858,422
<b>Interest paid: <sup>22</sup></b>							
Number of returns.....	29,205,679	23,385,461	26,676,836	36,286,822	29,437,522	29,394,600	27,418,495
Amount.....	23,929,477	38,885,282	91,187,006	180,094,578	193,186,034	208,354,360	213,725,293
<b>Contributions:</b>							
Number of returns.....	33,833,601	24,642,672	26,601,428	36,162,178	29,132,486	29,230,265	29,551,349
Amount.....	12,892,732	15,393,331	25,809,608	47,962,848	55,459,205	57,242,757	60,575,848
<b>Taxable income: <sup>23</sup></b>							
Number of returns.....	59,593,598	65,852,602	88,104,696	96,124,046	92,313,789	93,148,332	92,717,816
Amount.....	401,154,285	595,492,866	1,279,985,360	1,820,740,833	2,173,345,881	2,263,661,230	2,284,087,935
<b>Income tax before credits: <sup>24</sup></b>							
Number of returns.....	59,596,755	65,854,734	76,135,819	85,994,216	92,246,065	93,089,368	92,635,791
Amount... <sup>25</sup>	84,156,695	132,452,044	256,294,315	332,165,333	438,240,138	453,127,579	454,502,664
<b>Total tax credits:</b>							
Number of returns... <sup>26</sup>	n.a.	n.a.	19,674,483	20,995,285	12,034,697	12,483,535	12,738,913
Amount... <sup>26</sup>	396,610	8,069,846	7,215,839	10,248,044	6,131,134	6,831,187	7,286,497
<b>Child care credit:</b>							
Number of returns.....	n.a.	n.a.	4,230,757	8,417,522	6,028,094	6,143,590	5,896,435
Amount.....	n.a.	n.a.	956,439	3,127,702	2,439,471	2,549,004	2,520,549
<b>Credit for the elderly and disabled:</b>							
Number of returns.....	1,357,266	784,808	561,918	462,548	319,758	339,818	285,085
Amount.....	167,656	128,968	134,993	108,642	64,490	61,898	57,083
<b>Residential energy credit:</b>							
Number of returns.....	N/A	N/A	n.a.	n.a.	N/A	N/A	N/A
Amount.....	N/A	N/A	562,141	811,875	N/A	N/A	N/A
<b>Foreign tax credit:</b>							
Number of returns.....	200,397	n.a.	393,074	453,863	641,557	772,143	874,583
Amount.....	169,623	381,985	1,341,675	782,561	1,311,742	1,682,307	1,824,334
<b>Investment credit:<sup>27</sup></b>							
Number of returns.....	n.a.	n.a.	n.a.	( <sup>27</sup> )	( <sup>27</sup> )	( <sup>27</sup> )	( <sup>27</sup> )
Amount.....	30,554	1,593,150	3,288,415	( <sup>27</sup> )	( <sup>27</sup> )	( <sup>27</sup> )	( <sup>27</sup> )
<b>General business credit: <sup>27</sup></b>							
Number of returns.....	N/A	N/A	N/A	4,614,307	332,419	262,573	259,625
Amount.....	N/A	N/A	N/A	4,791,132	593,192	616,288	522,507
<b>Income tax after credits:</b>							
Number of returns.....	59,314,011	61,483,928	73,840,395	82,762,130	89,162,747	89,844,225	88,717,148
Amount.....	83,787,323	124,382,197	249,078,475	321,917,289	432,109,004	446,296,392	447,216,167
<b>Total income tax: <sup>28</sup></b>							
Number of returns.....	59,317,371	61,490,737	73,906,244	82,846,420	89,178,355	89,862,434	88,733,587
Amount.....	83,909,311	124,526,297	250,341,440	325,710,254	432,939,998	447,126,703	448,429,593
<b>Minimum tax:<sup>29</sup></b>							
Number of returns.....	18,942	20,188	94,599	N/A	N/A	N/A	N/A
Amount.....	121,988	144,099	412,638	N/A	N/A	N/A	N/A
<b>Alternative minimum tax:<sup>29</sup></b>							
Number of returns.....	N/A	N/A	122,670	427,688	117,483	132,103	243,672
Amount.....	N/A	N/A	850,326	3,791,872	830,994	830,313	1,213,426
<b>Overpayments, total: <sup>30</sup></b>							
Number of returns.....	55,273,385	63,825,188	69,868,451	77,424,003	80,908,202	83,507,580	85,564,104
Amount.....	15,727,692	29,363,945	49,458,344	76,220,146	81,252,232	88,479,352	95,269,292
<b>Overpayment refunds:</b>							
Number of returns.....	53,126,294	62,660,424	68,232,903	74,914,665	78,271,544	80,514,484	82,402,017
Amount.....	14,043,494	27,252,870	46,680,072	68,933,993	71,735,083	78,103,385	84,043,194
<b>Tax due at time of filing: <sup>31</sup></b>							
Number of returns.....	16,478,813	15,842,400	21,755,516	21,210,194	28,044,448	26,986,948	25,567,640
Amount.....	8,725,671	14,208,747	32,843,576	39,091,228	60,156,928	56,561,150	53,046,236

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>UNITED STATES<sup>2</sup></b>								
Number of returns.....	115,766,796	47,106,402	28,966,416	21,393,810	11,307,496	3,622,829	2,527,093	842,750
Number of exemptions.....	252,765,092	73,041,308	65,653,923	57,702,885	34,455,696	11,274,975	7,954,848	2,681,457
Adjusted gross income (less deficit).....	3,453,028,487	267,887,840	629,185,965	833,304,279	680,733,970	308,877,733	331,504,581	401,534,118
Salaries and wages:								
Number of returns.....	96,823,336	36,088,426	24,788,828	19,366,125	10,401,703	3,296,388	2,192,332	689,534
Amount.....	2,659,733,424	249,308,120	498,385,082	690,440,290	564,967,061	245,377,038	226,689,462	184,566,372
Interest income:								
Number of returns.....	70,070,830	19,724,523	16,796,777	16,598,385	10,206,965	3,452,994	2,457,790	833,396
Amount.....	210,514,343	34,885,632	37,870,084	37,124,174	28,892,782	14,588,975	20,033,955	37,118,741
Dividends:								
Number of returns.....	23,163,234	4,883,683	4,461,459	5,318,378	4,308,876	1,873,153	1,643,141	674,544
Amount.....	77,319,932	7,109,103	8,882,918	11,071,180	10,511,992	6,508,508	10,832,559	22,403,673
Net capital gain (less loss):								
Number of returns.....	12,675,100	2,377,949	2,289,077	2,681,052	2,265,295	1,136,364	1,292,170	633,193
Amount.....	101,421,936	7,243,557	3,623,281	6,218,421	8,038,953	6,513,329	14,991,638	54,792,756
Taxable pensions and annuities:								
Number of returns.....	17,728,698	5,299,954	5,071,332	3,794,543	2,203,031	722,017	493,481	144,340
Amount.....	172,559,569	27,489,997	46,131,756	42,562,630	29,510,845	11,788,402	10,162,706	4,913,232
Unemployment compensation:								
Number of returns.....	9,864,100	3,447,349	3,062,860	2,244,728	864,844	168,823	67,819	7,677
Amount.....	22,698,258	7,080,444	7,518,117	5,318,267	2,108,965	445,929	200,394	26,142
Total itemized deductions:								
Number of returns.....	33,402,474	2,340,460	5,575,712	10,286,007	8,726,057	3,283,567	2,389,401	801,270
Amount.....	482,453,254	28,147,394	52,587,216	107,586,548	116,528,093	59,369,770	62,782,267	55,451,965
Taxable income:								
Number of returns.....	92,743,901	24,989,034	28,184,920	21,302,265	11,287,099	3,617,053	2,522,431	841,099
Amount.....	2,281,890,122	81,261,776	345,128,088	552,533,666	479,464,975	224,561,099	253,130,213	345,810,305
Total tax liability:								
Number of returns.....	94,608,338	26,875,116	28,192,777	21,280,261	11,279,829	3,615,610	2,523,170	841,575
Amount.....	473,533,243	15,485,523	55,667,120	94,523,198	91,738,320	49,783,780	64,811,592	101,523,709
Average (whole dollars).....	5,005	576	1,975	4,442	8,133	13,769	25,687	120,635
Earned income credit:								
Number of returns.....	13,885,163	9,791,173	4,093,990	--	--	--	--	--
Amount.....	-11,419,575	-9,633,297	-1,786,278	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	10,555,456	9,291,924	1,263,532	--	--	--	--	--
Amount.....	-8,475,827	-8,003,056	-472,771	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>ALABAMA</b>								
Number of returns.....	1,747,049	803,517	432,332	295,746	144,163	39,280	23,420	8,591
Number of exemptions.....	3,969,068	1,372,716	1,070,778	848,153	450,323	124,019	74,986	28,093
Adjusted gross income (less deficit).....	45,108,672	5,363,946	9,308,732	11,485,850	8,640,856	3,334,403	3,049,999	3,924,886
Salaries and wages:								
Number of returns.....	1,507,236	656,871	380,453	272,351	134,320	36,025	20,120	7,096
Amount.....	35,612,143	4,614,587	7,644,633	9,773,943	7,292,915	2,619,077	1,933,926	1,733,061
Interest income:								
Number of returns.....	843,407	235,574	205,721	208,413	125,785	36,831	22,615	8,468
Amount.....	2,215,217	396,407	428,515	403,606	313,136	150,820	188,378	334,356
Dividends:								
Number of returns.....	245,253	46,033	45,552	59,310	51,448	20,349	15,622	6,939
Amount.....	689,503	58,953	72,707	97,508	101,089	62,624	102,501	196,121
Net capital gain (less loss):								
Number of returns.....	134,836	23,820	24,227	29,771	25,852	12,242	12,388	6,536
Amount.....	977,507	63,379	42,631	71,849	87,627	71,747	152,565	487,709
Taxable pensions and annuities:								
Number of returns.....	254,824	77,602	73,543	55,420	31,620	9,632	5,505	1,502
Amount.....	2,528,915	431,676	700,529	642,673	435,321	164,760	115,537	38,420
Unemployment compensation:								
Number of returns.....	175,938	75,200	54,131	35,303	9,768	1,246	268	22
Amount.....	218,722	97,608	66,570	40,747	11,642	1,608	491	55
Total itemized deductions:								
Number of returns.....	406,838	27,973	78,116	130,455	105,839	34,503	21,715	8,237
Amount.....	4,627,907	244,653	651,958	1,193,631	1,194,901	516,127	446,131	380,504
Taxable income:								
Number of returns.....	1,320,540	386,404	423,549	295,282	144,064	39,254	23,403	8,584
Amount.....	28,493,164	1,214,059	4,815,796	7,649,510	6,294,232	2,535,721	2,449,571	3,534,275
Total tax liability:								
Number of returns.....	1,347,547	416,125	421,953	294,435	143,846	39,205	23,401	8,582
Amount.....	5,682,313	227,408	767,523	1,257,045	1,187,981	564,518	635,610	1,042,227
Average (whole dollars).....	4,217	546	1,819	4,269	8,259	14,399	27,162	121,443
Earned income credit:								
Number of returns.....	346,279	259,041	87,238	--	--	--	--	--
Amount.....	-309,703	-268,617	-41,086	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	278,034	250,062	27,972	--	--	--	--	--
Amount.....	-241,386	-230,704	-10,682	--	--	--	--	--
<b>ALASKA</b>								
Number of returns.....	339,215	163,682	59,488	52,908	36,691	15,801	8,970	1,675
Number of exemptions.....	569,844	115,055	126,714	133,910	110,739	49,661	28,331	5,234
Adjusted gross income (less deficit).....	9,314,895	536,324	1,305,544	2,075,145	2,241,043	1,349,020	1,138,313	669,506
Salaries and wages:								
Number of returns.....	231,613	71,880	52,722	48,272	34,345	14,885	8,149	1,360
Amount.....	7,240,390	451,818	1,024,586	1,691,385	1,869,683	1,116,829	814,268	271,822
Interest income:								
Number of returns.....	176,599	56,699	29,763	35,670	29,997	14,302	8,524	1,644
Amount.....	303,505	35,341	33,450	49,903	55,208	36,716	44,367	48,520
Dividends:								
Number of returns.....	69,611	19,848	11,045	13,218	11,850	7,008	5,384	1,258
Amount.....	121,703	16,691	13,610	18,479	19,157	13,707	19,048	20,809
Net capital gain (less loss):								
Number of returns.....	30,905	4,671	3,796	6,021	6,736	4,297	4,178	1,206
Amount.....	177,295	8,448	6,903	11,983	20,184	19,487	42,623	67,667
Taxable pensions and annuities:								
Number of returns.....	32,098	4,502	6,956	7,865	7,030	3,456	2,039	250
Amount.....	446,138	24,742	70,117	114,035	116,726	64,482	49,656	6,378
Unemployment compensation:								
Number of returns.....	36,360	10,148	10,627	8,709	5,198	1,304	355	19
Amount.....	93,329	21,229	28,189	25,310	14,270	3,329	928	74
Total itemized deductions:								
Number of returns.....	73,375	3,920	7,860	18,187	21,993	12,451	7,619	1,345
Amount.....	923,261	37,007	68,367	192,962	263,426	178,598	142,645	40,236
Taxable income:								
Number of returns.....	300,818	126,766	58,160	52,784	36,670	15,796	8,967	1,675
Amount.....	6,703,793	229,873	755,440	1,450,971	1,668,963	1,046,215	930,497	623,832
Total tax liability:								
Number of returns.....	306,044	132,072	58,390	52,593	36,593	15,766	8,956	1,674
Amount.....	1,427,349	43,617	127,467	262,247	333,877	235,277	240,231	184,633
Average (whole dollars).....	4,664	330	2,183	4,986	9,124	14,923	26,823	110,295
Earned income credit:								
Number of returns.....	18,761	12,277	6,484	--	--	--	--	--
Amount.....	-12,642	-10,122	-2,520	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	12,351	10,860	1,491	--	--	--	--	--
Amount.....	-7,763	-7,276	-487	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>ARIZONA</b>								
Number of returns.....	1,653,636	714,090	422,832	289,431	145,554	43,657	28,711	9,361
Number of exemptions.....	3,815,561	1,250,309	1,026,071	823,074	455,544	137,186	90,956	30,421
Adjusted gross income (less deficit).....	44,520,427	3,851,304	9,128,216	11,238,618	8,749,303	3,716,978	3,767,011	4,068,998
Salaries and wages:								
Number of returns.....	1,354,068	552,691	350,491	252,247	129,383	38,192	23,686	7,378
Amount.....	33,681,193	3,922,204	7,000,133	8,918,240	6,958,658	2,801,104	2,421,823	1,859,030
Interest income:								
Number of returns.....	920,748	262,748	236,690	215,622	127,761	40,991	27,695	9,241
Amount.....	2,942,294	512,703	585,129	554,397	409,396	206,933	280,087	393,648
Dividends:								
Number of returns.....	320,582	73,396	71,231	75,131	54,233	22,014	17,673	6,904
Amount.....	1,140,348	130,115	175,135	198,301	167,718	92,372	136,455	240,253
Net capital gain (less loss):								
Number of returns.....	212,242	45,304	45,202	46,932	35,244	16,192	16,142	7,226
Amount.....	1,341,697	107,970	48,455	97,602	134,878	102,149	233,788	618,855
Taxable pensions and annuities:								
Number of returns.....	286,939	83,869	86,020	63,790	34,686	10,333	6,448	1,793
Amount.....	3,103,085	455,237	848,931	829,902	552,468	200,297	149,886	66,364
Unemployment compensation:								
Number of returns.....	102,014	44,628	30,474	18,124	6,825	1,363	550	50
Amount.....	197,974	82,489	61,032	36,499	13,674	2,812	1,361	106
Total itemized deductions:								
Number of returns.....	524,215	49,900	109,831	166,523	120,698	40,446	27,668	9,149
Amount.....	6,986,547	573,936	1,020,137	1,727,851	1,608,755	722,004	725,685	608,180
Taxable income:								
Number of returns.....	1,272,556	350,522	407,077	288,142	145,293	43,562	28,630	9,330
Amount.....	28,218,342	1,174,339	4,728,231	7,218,576	6,075,441	2,699,716	2,867,471	3,454,567
Total tax liability:								
Number of returns.....	1,300,785	378,557	407,612	287,869	145,188	43,566	28,651	9,342
Amount.....	5,680,280	219,867	759,474	1,215,396	1,146,642	597,684	732,810	1,008,407
Average (whole dollars).....	4,367	581	1,863	4,222	7,898	13,719	25,577	107,943
Earned income credit:								
Number of returns.....	236,449	171,069	65,380	--	--	--	--	--
Amount.....	-198,196	-169,297	-28,899	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	187,786	163,827	23,959	--	--	--	--	--
Amount.....	-155,119	-145,688	-9,431	--	--	--	--	--
<b>ARKANSAS</b>								
Number of returns.....	984,063	470,076	261,534	159,131	63,142	15,464	10,801	3,915
Number of exemptions.....	2,276,435	837,728	674,519	470,986	197,636	48,670	34,333	12,563
Adjusted gross income (less deficit).....	22,981,206	2,952,746	5,624,856	6,127,573	3,757,560	1,314,861	1,426,570	1,777,041
Salaries and wages:								
Number of returns.....	820,399	371,282	224,398	142,879	56,478	13,280	8,813	3,269
Amount.....	17,465,272	2,602,436	4,440,971	4,984,805	2,941,089	904,118	804,157	787,699
Interest income:								
Number of returns.....	485,578	155,432	132,314	113,807	55,169	14,550	10,443	3,863
Amount.....	1,447,112	296,539	327,482	275,906	188,644	84,535	106,588	167,418
Dividends:								
Number of returns.....	147,683	33,131	35,027	36,435	24,041	8,471	7,372	3,186
Amount.....	447,328	40,210	53,054	58,980	50,328	27,907	45,014	171,835
Net capital gain (less loss):								
Number of returns.....	98,658	22,650	23,588	22,844	14,722	5,869	6,084	2,901
Amount.....	553,623	35,714	45,305	64,137	64,258	43,778	87,412	213,019
Taxable pensions and annuities:								
Number of returns.....	140,316	46,324	44,797	29,770	13,483	3,330	2,020	592
Amount.....	1,291,163	241,968	405,774	338,842	191,663	57,399	40,186	15,331
Unemployment compensation:								
Number of returns.....	91,640	40,131	31,788	16,198	2,998	381	131	13
Amount.....	156,383	63,575	55,872	28,984	6,566	991	355	39
Total itemized deductions:								
Number of returns.....	191,965	16,337	38,203	62,931	48,568	13,849	10,269	3,808
Amount.....	2,236,760	140,100	313,589	577,162	528,082	211,291	225,062	241,474
Taxable income:								
Number of returns.....	732,326	223,941	256,240	158,916	63,080	15,454	10,784	3,911
Amount.....	14,026,946	710,311	2,863,456	4,060,957	2,730,613	995,951	1,134,079	1,531,580
Total tax liability:								
Number of returns.....	759,200	251,519	255,967	158,601	62,989	15,433	10,781	3,910
Amount.....	2,790,806	143,725	469,145	673,823	524,532	228,268	298,675	452,640
Average (whole dollars).....	3,676	571	1,833	4,249	8,327	14,791	27,704	115,765
Earned income credit:								
Number of returns.....	187,394	136,322	51,072	--	--	--	--	--
Amount.....	-160,555	-137,539	-23,016	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	145,354	129,760	15,594	--	--	--	--	--
Amount.....	-120,019	-114,147	-5,872	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>CALIFORNIA</b>								
Number of returns.....	13,789,766	5,468,182	3,285,930	2,479,275	1,454,799	560,291	411,212	130,077
Number of exemptions.....	31,393,581	9,827,610	7,625,675	6,336,683	4,259,788	1,694,188	1,249,023	400,614
Adjusted gross income (less deficit).....	448,324,637	27,182,081	71,611,891	96,634,923	88,196,875	47,906,654	53,842,967	62,949,246
Salaries and wages:								
Number of returns.....	11,494,606	4,238,348	2,784,269	2,197,952	1,315,688	505,793	350,898	101,658
Amount.....	343,315,136	30,519,168	57,013,930	79,073,892	72,384,045	38,379,387	36,925,728	29,018,987
Interest income:								
Number of returns.....	8,085,763	2,012,416	1,828,083	1,886,093	1,299,704	532,085	398,894	128,488
Amount.....	28,059,864	3,952,109	4,111,841	4,511,694	3,922,737	2,230,970	3,296,434	6,034,079
Dividends:								
Number of returns.....	2,566,739	476,820	451,012	561,174	490,904	252,564	239,122	95,143
Amount.....	9,353,329	844,601	1,047,596	1,315,935	1,248,982	806,544	1,333,998	2,755,652
Net capital gain (less loss):								
Number of returns.....	1,549,591	254,003	244,658	309,430	287,983	164,051	196,956	92,510
Amount.....	16,677,265	1,277,208	386,384	787,662	1,186,356	1,092,354	2,762,093	9,185,207
Taxable pensions and annuities:								
Number of returns.....	1,861,105	461,366	503,751	417,033	277,281	105,939	75,264	20,471
Amount.....	20,749,665	2,578,382	4,945,634	5,193,884	3,992,391	1,740,290	1,555,059	744,025
Unemployment compensation:								
Number of returns.....	1,325,056	559,793	363,864	237,738	115,307	31,333	15,342	1,679
Amount.....	2,781,688	1,087,610	831,399	510,986	244,267	67,449	35,395	4,584
Total itemized deductions:								
Number of returns.....	4,656,891	382,726	741,923	1,297,404	1,177,715	526,388	402,321	128,414
Amount.....	90,950,464	6,077,573	9,077,055	17,801,852	20,411,725	12,095,895	13,571,358	11,915,008
Taxable income:								
Number of returns.....	10,602,610	2,518,478	3,092,905	2,446,249	1,447,453	558,193	409,711	129,621
Amount.....	286,226,065	8,540,396	37,591,631	61,003,200	57,799,086	32,204,119	38,001,203	51,086,429
Total tax liability:								
Number of returns.....	10,891,867	2,778,245	3,110,512	2,454,494	1,449,628	558,914	410,268	129,806
Amount.....	61,650,184	1,731,815	6,134,430	10,800,179	11,183,517	7,071,913	9,681,255	15,047,075
Average (whole dollars).....	5,660	623	1,972	4,400	7,715	12,653	23,597	115,920
Earned income credit:								
Number of returns.....	1,984,221	1,507,905	476,316	--	--	--	--	--
Amount.....	-1,662,354	-1,458,469	-203,885	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	1,638,075	1,439,172	198,803	--	--	--	--	--
Amount.....	-1,339,867	-1,261,441	-78,426	--	--	--	--	--
<b>COLORADO</b>								
Number of returns.....	1,626,650	648,871	402,900	306,109	167,826	53,908	36,431	10,605
Number of exemptions.....	3,438,414	909,855	883,383	818,673	511,073	167,108	115,016	33,306
Adjusted gross income (less deficit).....	48,145,330	3,167,884	8,765,707	11,939,534	10,109,448	4,593,397	4,763,681	4,805,680
Salaries and wages:								
Number of returns.....	1,368,453	502,231	345,962	276,634	154,164	49,133	31,601	8,728
Amount.....	37,289,552	3,461,523	6,942,767	9,807,313	8,299,478	3,588,834	3,163,237	2,026,399
Interest income:								
Number of returns.....	1,029,789	286,913	245,965	245,922	153,332	51,646	35,535	10,476
Amount.....	2,630,605	430,680	447,060	482,817	375,265	192,805	270,040	451,939
Dividends:								
Number of returns.....	375,311	78,565	71,020	89,379	72,408	30,702	24,712	8,525
Amount.....	1,045,177	113,957	127,024	163,799	154,649	96,677	152,391	236,680
Net capital gain (less loss):								
Number of returns.....	233,194	45,507	42,231	50,821	43,449	21,165	21,547	8,474
Amount.....	1,683,327	114,428	57,774	105,056	146,982	122,275	266,106	870,706
Taxable pensions and annuities:								
Number of returns.....	238,456	61,004	68,057	56,268	33,495	11,033	6,917	1,682
Amount.....	2,600,286	336,270	677,099	706,050	498,445	187,672	146,063	48,687
Unemployment compensation:								
Number of returns.....	81,930	26,723	27,668	18,504	7,002	1,424	548	61
Amount.....	170,804	51,186	59,553	39,720	15,485	3,341	1,338	181
Total itemized deductions:								
Number of returns.....	554,790	40,598	100,393	178,495	139,971	50,102	34,950	10,281
Amount.....	7,131,059	406,706	874,666	1,793,045	1,811,106	847,639	816,404	581,492
Taxable income:								
Number of returns.....	1,329,729	362,874	393,084	305,304	167,654	53,861	36,372	10,580
Amount.....	32,229,753	1,195,141	4,820,407	7,813,631	7,086,051	3,377,457	3,716,710	4,220,356
Total tax liability:								
Number of returns.....	1,356,941	390,419	393,343	304,876	167,508	53,835	36,375	10,585
Amount.....	6,657,403	229,428	788,485	1,342,424	1,354,011	753,212	957,240	1,232,604
Average (whole dollars).....	4,906	588	2,005	4,403	8,083	13,991	26,316	116,448
Earned income credit:								
Number of returns.....	158,816	107,062	51,754	--	--	--	--	--
Amount.....	-127,662	-105,237	-22,425	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	115,635	99,887	15,748	--	--	--	--	--
Amount.....	-90,669	-84,767	-5,902	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

## Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>CONNECTICUT</b>								
Number of returns.....	1,609,612	518,773	381,393	325,793	215,167	82,139	63,213	23,134
Number of exemptions.....	3,263,372	616,676	726,352	773,693	623,653	250,233	198,039	74,726
Adjusted gross income (less deficit).....	63,499,114	2,562,931	8,421,605	12,774,792	13,046,752	7,023,696	8,357,963	11,311,374
Salaries and wages:								
Number of returns.....	1,338,493	364,912	323,582	295,104	200,832	76,884	57,236	19,943
Amount.....	49,694,893	2,361,625	6,554,938	10,530,809	11,072,053	5,923,190	6,351,807	6,900,472
Interest income:								
Number of returns.....	1,220,980	309,270	261,006	280,256	204,665	80,461	62,327	22,995
Amount.....	3,897,213	581,623	639,801	702,074	577,215	278,926	378,786	738,788
Dividends:								
Number of returns.....	448,762	93,206	74,423	91,895	84,016	42,240	41,781	19,201
Amount.....	1,668,821	132,918	164,503	226,364	227,136	141,431	280,621	515,850
Net capital gain (less loss):								
Number of returns.....	218,836	35,424	30,322	41,134	40,782	23,352	30,745	17,077
Amount.....	1,767,413	89,584	22,975	52,485	91,616	89,422	247,286	1,174,045
Taxable pensions and annuities:								
Number of returns.....	272,995	73,593	71,361	58,461	39,770	14,674	11,187	3,949
Amount.....	2,559,267	353,773	573,980	584,353	462,863	209,834	220,360	154,105
Unemployment compensation:								
Number of returns.....	170,855	41,231	52,136	44,288	25,379	5,250	2,221	350
Amount.....	508,750	123,480	163,201	130,809	68,558	14,435	6,965	1,303
Total itemized deductions:								
Number of returns.....	563,284	33,316	71,595	146,050	156,156	73,118	60,492	22,557
Amount.....	9,556,669	453,521	845,698	1,683,664	2,172,330	1,305,928	1,614,428	1,481,100
Taxable income:								
Number of returns.....	1,404,533	326,934	371,184	323,651	214,583	81,990	63,088	23,103
Amount.....	45,394,516	1,059,118	5,043,167	8,706,315	9,278,475	5,153,461	6,349,935	9,804,047
Total tax liability:								
Number of returns.....	1,422,161	341,535	373,618	324,055	214,692	82,022	63,123	23,116
Amount.....	10,036,712	195,117	815,018	1,545,229	1,798,359	1,140,321	1,623,319	2,919,348
Average (whole dollars).....	7,057	571	2,181	4,768	8,376	13,903	25,717	126,291
Earned income credit:								
Number of returns.....	77,985	46,374	31,611	--	--	--	--	--
Amount.....	-56,295	-43,279	-13,016	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	50,035	42,610	7,425	--	--	--	--	--
Amount.....	-35,542	-32,977	-2,565	--	--	--	--	--
<b>DELAWARE</b>								
Number of returns.....	330,825	120,210	82,270	64,879	39,294	13,299	8,613	2,260
Number of exemptions.....	701,794	167,880	173,435	165,932	118,953	41,601	26,909	7,084
Adjusted gross income (less deficit).....	10,747,873	805,954	1,781,980	2,536,755	2,377,990	1,133,371	1,111,092	1,000,730
Salaries and wages:								
Number of returns.....	284,033	96,014	70,754	58,893	36,514	12,366	7,720	1,772
Amount.....	8,302,656	656,937	1,407,129	2,083,367	1,993,108	929,336	794,348	438,430
Interest income:								
Number of returns.....	203,756	50,353	45,353	49,347	35,383	12,687	8,393	2,240
Amount.....	540,163	80,891	99,834	104,020	82,524	42,275	53,046	77,573
Dividends:								
Number of returns.....	85,169	14,616	14,718	20,251	18,455	8,527	6,625	1,977
Amount.....	375,448	19,760	27,939	41,471	42,707	27,104	49,731	166,736
Net capital gain (less loss):								
Number of returns.....	33,070	4,851	4,882	6,786	6,486	3,800	4,506	1,759
Amount.....	255,199	7,065	7,200	14,708	21,273	18,414	44,688	141,852
Taxable pensions and annuities:								
Number of returns.....	59,067	14,755	16,163	13,390	9,030	3,134	2,114	481
Amount.....	631,654	79,227	154,065	157,835	123,602	52,195	46,052	18,678
Unemployment compensation:								
Number of returns.....	26,402	6,995	7,275	7,531	3,775	674	149	3
Amount.....	62,020	14,313	18,022	18,606	9,096	1,560	418	6
Total itemized deductions:								
Number of returns.....	109,691	4,955	15,042	33,783	32,530	12,687	8,466	2,228
Amount.....	1,504,889	49,031	123,789	330,450	410,164	213,605	209,763	168,088
Taxable income:								
Number of returns.....	280,989	71,976	80,875	64,731	39,255	13,295	8,601	2,256
Amount.....	7,175,131	243,898	1,023,842	1,711,069	1,684,484	830,442	850,335	831,062
Total tax liability:								
Number of returns.....	282,858	73,897	80,826	64,723	39,256	13,292	8,604	2,260
Amount.....	1,451,349	42,091	162,034	290,714	317,140	180,888	214,415	244,067
Average (whole dollars).....	5,131	570	2,005	4,492	8,079	13,609	24,920	107,994
Earned income credit:								
Number of returns.....	33,318	22,482	10,836	--	--	--	--	--
Amount.....	-27,166	-22,375	-4,791	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	24,358	21,406	2,952	--	--	--	--	--
Amount.....	-19,849	-18,772	-1,077	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>DISTRICT OF COLUMBIA</b>								
Number of returns.....	310,939	111,427	99,923	53,608	23,401	9,378	9,489	3,713
Number of exemptions.....	586,698	177,140	197,991	103,307	50,555	22,196	24,765	10,744
Adjusted gross income (less deficit).....	9,941,702	460,137	2,173,897	2,053,053	1,415,492	804,180	1,272,805	1,762,138
Salaries and wages:								
Number of returns.....	260,011	85,779	88,375	47,018	20,189	8,026	7,961	2,663
Amount.....	7,372,042	659,775	1,841,537	1,677,347	1,101,810	602,034	854,482	635,057
Interest income:								
Number of returns.....	153,219	32,703	41,815	37,068	20,118	8,721	9,127	3,667
Amount.....	566,413	65,538	52,172	71,916	66,154	43,129	75,721	191,783
Dividends:								
Number of returns.....	50,867	8,023	8,257	11,084	8,835	4,910	6,585	3,173
Amount.....	331,429	13,852	15,597	27,756	32,298	26,244	61,455	154,226
Net capital gain (less loss):								
Number of returns.....	27,034	3,262	3,226	4,795	4,711	3,139	4,957	2,944
Amount.....	423,585	93,695	3,381	8,494	13,429	17,757	50,227	236,602
Taxable pensions and annuities:								
Number of returns.....	48,237	12,010	14,582	10,637	5,662	2,341	2,244	761
Amount.....	837,040	90,710	202,125	202,241	142,464	70,799	75,846	52,856
Unemployment compensation:								
Number of returns.....	14,625	7,107	4,895	1,666	639	189	119	10
Amount.....	47,856	21,011	17,703	5,837	2,203	676	391	37
Total itemized deductions:								
Number of returns.....	97,655	8,798	19,455	27,755	19,822	8,884	9,258	3,683
Amount.....	1,703,280	99,456	177,425	306,666	288,344	179,009	288,571	363,809
Taxable income:								
Number of returns.....	255,823	58,666	97,852	53,295	23,306	9,345	9,457	3,702
Amount.....	6,855,737	219,424	1,268,399	1,439,753	1,012,236	580,261	938,886	1,396,778
Total tax liability:								
Number of returns.....	254,669	59,293	96,270	53,276	23,311	9,346	9,467	3,706
Amount.....	1,500,412	36,896	192,040	260,662	211,445	134,357	245,831	419,181
Average (whole dollars).....	5,892	622	1,995	4,893	9,071	14,376	25,967	113,109
Earned income credit:								
Number of returns.....	48,315	31,158	17,157	--	--	--	--	--
Amount.....	-38,814	-31,389	-7,425	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	36,044	30,380	5,664	--	--	--	--	--
Amount.....	-29,448	-27,296	-2,152	--	--	--	--	--
<b>FLORIDA</b>								
Number of returns.....	6,249,819	2,731,486	1,657,783	1,036,326	498,437	155,187	118,382	52,218
Number of exemptions.....	13,720,929	4,615,882	3,834,891	2,783,898	1,486,840	473,521	364,825	161,072
Adjusted gross income (less deficit).....	177,888,512	16,016,633	35,564,552	40,150,921	29,943,518	13,235,657	15,735,738	27,241,493
Salaries and wages: <sup>*</sup>								
Number of returns.....	4,906,298	2,046,302	1,326,743	861,979	417,215	126,643	89,502	37,914
Amount.....	120,692,234	14,740,353	26,049,061	30,010,898	22,076,890	9,086,842	8,839,947	9,888,243
Interest income:								
Number of returns.....	3,548,507	1,076,505	947,130	776,389	437,392	145,400	114,129	51,562
Amount.....	16,328,247	2,494,813	2,938,195	2,769,110	2,079,234	1,053,469	1,582,678	3,410,747
Dividends:								
Number of returns.....	1,349,942	326,098	317,731	297,219	204,692	83,484	78,716	42,002
Amount.....	7,032,996	679,451	936,880	1,071,182	929,525	544,044	912,009	1,959,903
Net capital gain (less loss):								
Number of returns.....	851,728	183,853	182,964	180,269	132,296	61,366	69,836	41,144
Amount.....	8,428,650	489,847	176,515	413,515	582,569	476,389	1,138,587	5,151,227
Taxable pensions and annuities:								
Number of returns.....	1,141,918	332,754	349,643	244,739	132,279	41,303	29,686	11,514
Amount.....	12,931,191	1,764,897	3,432,745	3,316,511	2,271,931	863,098	762,836	519,172
Unemployment compensation:								
Number of returns.....	349,351	146,340	108,214	64,195	22,971	4,920	2,407	304
Amount.....	793,314	295,250	261,775	156,389	58,398	13,262	7,229	1,012
Total itemized deductions:								
Number of returns.....	1,577,293	173,853	348,206	454,069	332,105	123,809	100,618	44,635
Amount.....	21,452,210	2,015,102	3,448,677	4,712,252	4,157,637	2,026,334	2,358,076	2,734,133
Taxable income:								
Number of returns.....	4,872,939	1,405,578	1,614,081	1,031,462	497,023	154,725	118,005	52,065
Amount.....	120,234,417	4,854,904	19,159,578	27,063,773	21,948,222	10,113,641	12,642,118	24,432,180
Total tax liability:								
Number of returns.....	4,995,496	1,535,247	1,611,396	1,028,300	495,941	154,470	118,027	52,115
Amount.....	25,503,780	935,042	3,069,882	4,579,048	4,235,244	2,265,679	3,261,676	7,157,230
Average (whole dollars).....	5,105	609	1,905	4,453	8,540	14,667	27,635	137,335
Earned income credit:								
Number of returns.....	827,584	596,476	231,108	--	--	--	--	--
Amount.....	-701,086	-597,655	-103,431	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	635,877	563,264	72,613	--	--	--	--	--
Amount.....	-518,117	-490,913	-27,204	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

## Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>GEORGIA</b>								
Number of returns.....	2,946,924	1,234,866	754,147	517,497	273,573	88,045	59,943	18,853
Number of exemptions.....	6,452,234	1,976,600	1,719,074	1,401,059	829,868	274,154	190,578	60,901
Adjusted gross income (less deficit).....	84,162,097	7,616,508	16,269,944	20,132,343	16,484,060	7,496,447	7,859,682	8,303,113
Salaries and wages:								
Number of returns.....	2,584,948	1,026,464	674,271	477,372	256,036	81,667	53,365	15,773
Amount.....	67,591,430	7,301,822	13,640,902	17,075,748	13,959,981	6,095,211	5,567,873	3,949,894
Interest income:								
Number of returns.....	1,439,318	359,675	334,099	353,242	233,578	82,181	57,904	18,639
Amount.....	3,864,832	585,506	658,386	695,187	559,923	299,019	407,227	659,586
Dividends:								
Number of returns.....	470,145	78,874	78,466	110,826	101,001	46,321	39,454	15,203
Amount.....	1,402,091	104,073	125,878	181,535	195,205	127,980	225,181	442,240
Net capital gain (less loss):								
Number of returns.....	253,033	40,710	40,305	52,690	49,036	26,189	29,906	14,197
Amount.....	2,208,775	224,220	76,257	127,052	171,944	146,299	345,087	1,117,916
Taxable pensions and annuities:								
Number of returns.....	376,034	90,866	105,344	91,230	56,227	18,179	11,236	2,952
Amount.....	3,841,417	482,423	973,486	1,019,746	751,213	298,117	226,170	90,262
Unemployment compensation:								
Number of returns.....	253,286	95,361	82,051	53,391	17,571	3,311	1,461	140
Amount.....	395,360	144,676	124,452	83,769	31,593	6,925	3,612	334
Total itemized deductions:								
Number of returns.....	867,976	51,875	151,453	275,243	228,902	83,487	58,481	18,535
Amount.....	11,980,272	601,018	1,348,836	2,614,246	3,023,917	1,507,355	1,535,345	1,149,556
Taxable income:								
Number of returns.....	2,319,430	626,737	736,912	515,836	273,221	87,947	59,857	18,820
Amount.....	53,928,562	2,054,088	8,728,797	13,174,756	11,493,966	5,396,025	5,945,531	7,135,398
Total tax liability:								
Number of returns.....	2,360,485	673,710	733,928	513,918	272,524	87,754	59,827	18,824
Amount.....	10,932,796	385,319	1,393,157	2,205,875	2,158,233	1,181,199	1,517,417	2,091,596
Average (whole dollars).....	4,632	572	1,898	4,292	7,919	13,460	25,363	111,113
Earned income credit:								
Number of returns.....	496,401	358,408	137,993	--	--	--	--	--
Amount.....	-425,635	-362,662	-62,973	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	385,606	343,776	41,830	--	--	--	--	--
Amount.....	-323,076	-307,376	-15,700	--	--	--	--	--
<b>HAWAII</b>								
Number of returns.....	567,412	203,750	155,107	106,663	62,790	21,879	13,197	4,026
Number of exemptions.....	1,173,631	263,247	316,939	277,979	193,553	68,941	40,597	12,375
Adjusted gross income (less deficit).....	17,778,657	1,046,393	3,369,249	4,160,268	3,803,959	1,861,390	1,728,765	1,808,633
Salaries and wages:								
Number of returns.....	481,531	156,870	136,439	96,041	57,698	20,012	11,311	3,160
Amount.....	13,500,691	1,120,393	2,773,411	3,366,473	3,053,779	1,434,726	1,068,174	683,735
Interest income:								
Number of returns.....	412,253	109,740	111,867	92,595	59,719	21,378	12,965	3,989
Amount.....	920,230	125,521	151,924	174,039	152,385	79,850	96,303	140,210
Dividends:								
Number of returns.....	117,610	21,318	22,774	27,062	23,716	11,177	8,425	3,138
Amount.....	333,360	27,246	34,186	50,495	52,794	33,876	50,588	84,175
Net capital gain (less loss):								
Number of returns.....	55,752	8,522	8,947	11,658	11,190	6,112	6,463	2,860
Amount.....	687,423	44,250	14,881	32,340	46,966	48,988	126,790	375,207
Taxable pensions and annuities:								
Number of returns.....	88,062	20,277	24,408	20,488	13,918	4,797	3,207	967
Amount.....	1,113,030	110,064	250,202	296,216	247,295	99,586	76,516	33,152
Unemployment compensation:								
Number of returns.....	25,743	5,643	8,557	7,340	3,432	560	192	19
Amount.....	58,634	12,325	21,180	16,252	7,048	1,241	515	73
Total itemized deductions:								
Number of returns.....	169,234	9,077	25,624	49,303	48,162	20,382	12,745	3,941
Amount.....	2,811,198	102,545	254,319	563,204	837,362	404,152	365,083	284,532
Taxable income:								
Number of returns.....	482,306	123,141	151,485	105,989	62,668	21,849	13,163	4,011
Amount.....	11,863,423	442,834	1,950,931	2,748,674	2,598,941	1,313,041	1,288,055	1,520,947
Total tax liability:								
Number of returns.....	489,654	129,709	152,066	106,156	62,691	21,853	13,164	4,015
Amount.....	2,416,278	79,894	312,093	476,831	495,476	287,827	330,984	433,174
Average (whole dollars).....	4,935	618	2,052	4,492	7,903	13,171	25,143	107,889
Earned income credit:								
Number of returns.....	38,136	22,938	15,188	--	--	--	--	--
Amount.....	-27,782	-21,474	-6,308	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	24,825	20,871	3,954	--	--	--	--	--
Amount.....	-17,703	-16,267	-1,436	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>IDAHO</b>								
Number of returns.....	445,230	193,678	116,118	83,335	35,307	8,947	5,870	1,875
Number of exemptions.....	1,079,921	318,626	315,077	269,589	119,718	30,100	20,524	8,287
Adjusted gross income (less deficit).....	11,225,217	995,786	2,525,714	3,226,599	2,103,718	759,816	786,487	827,286
Salaries and wages:								
Number of returns.....	367,963	149,625	87,895	74,890	31,754	7,662	4,709	1,428
Amount.....	8,369,948	996,573	1,919,627	2,589,954	1,634,218	513,996	402,186	313,393
Interest income:								
Number of returns.....	261,402	83,325	67,280	63,117	31,498	8,514	5,814	1,854
Amount.....	702,068	143,654	154,100	136,252	91,988	43,521	60,787	71,766
Dividends:								
Number of returns.....	82,185	19,165	18,308	20,411	14,106	4,910	3,833	1,452
Amount.....	215,622	24,976	31,330	35,561	28,073	15,950	24,476	55,256
Net capital gain (less loss):								
Number of returns.....	63,982	14,802	14,672	14,916	10,340	4,036	3,743	1,473
Amount.....	474,909	35,076	41,787	87,900	59,207	36,042	72,472	142,426
Taxable pensions and annuities:								
Number of returns.....	66,236	21,169	20,296	14,625	6,884	1,807	1,132	323
Amount.....	603,596	109,144	184,094	160,917	88,388	27,212	21,269	12,572
Unemployment compensation:								
Number of returns.....	48,577	16,746	18,798	10,550	2,065	290	120	8
Amount.....	87,118	25,812	36,343	19,892	4,097	656	296	23
Total itemized deductions:								
Number of returns.....	123,111	9,934	24,406	44,062	29,075	8,228	5,605	1,801
Amount.....	1,480,518	124,298	201,298	419,901	358,561	136,583	132,669	117,208
Taxable income:								
Number of returns.....	347,733	100,607	111,937	83,137	35,282	8,938	5,962	1,870
Amount.....	6,931,747	305,422	1,252,058	2,034,040	1,461,790	557,566	612,730	708,140
Total tax liability:								
Number of returns.....	359,235	111,489	112,694	83,028	35,259	8,933	5,963	1,871
Amount.....	1,402,131	62,204	210,688	351,610	280,524	127,606	161,707	207,793
Average (whole dollars).....	3,903	558	1,870	4,235	7,956	14,285	27,118	111,060
Earned income credit:								
Number of returns.....	57,286	37,834	19,452	--	--	--	--	--
Amount.....	-46,851	-38,449	-8,402	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	41,653	35,249	6,404	--	--	--	--	--
Amount.....	-33,283	-30,812	-2,471	--	--	--	--	--
<b>ILLINOIS</b>								
Number of returns.....	5,390,714	2,073,772	1,317,678	1,047,388	587,834	185,715	131,229	47,098
Number of exemptions.....	11,710,328	3,048,387	2,886,194	2,804,163	1,815,035	584,792	418,326	153,431
Adjusted gross income (less deficit).....	172,970,205	12,048,876	28,755,856	40,916,195	35,418,904	15,818,928	17,283,085	22,728,360
Salaries and wages:								
Number of returns.....	4,523,279	1,565,693	1,128,880	954,949	547,257	171,049	115,999	39,452
Amount.....	132,632,738	10,209,338	22,779,907	34,154,899	29,809,472	12,751,371	12,160,146	10,767,606
Interest income:								
Number of returns.....	3,482,103	978,315	792,403	826,338	534,276	176,901	127,311	46,559
Amount.....	10,914,105	1,819,234	1,944,816	1,922,228	1,513,606	729,660	988,222	1,996,339
Dividends:								
Number of returns.....	1,245,290	264,869	230,853	279,588	237,078	102,488	91,100	39,314
Amount.....	4,199,006	368,246	466,179	601,179	585,831	358,648	593,835	1,225,088
Net capital gain (less loss):								
Number of returns.....	599,260	101,613	98,520	125,724	113,291	56,636	67,300	36,176
Amount.....	5,521,029	436,789	133,808	262,501	379,907	315,390	791,606	3,201,027
Taxable pensions and annuities:								
Number of returns.....	859,712	276,366	239,885	175,824	103,364	33,189	23,258	7,826
Amount.....	7,085,402	1,284,195	1,912,889	1,681,854	1,127,508	446,809	393,246	238,902
Unemployment compensation:								
Number of returns.....	408,253	122,916	123,903	105,680	44,325	7,812	3,262	355
Amount.....	1,100,821	298,587	370,220	286,394	113,505	20,901	10,029	1,185
Total itemized deductions:								
Number of returns.....	1,497,854	87,494	216,342	446,391	419,359	161,567	121,674	45,027
Amount.....	20,586,087	1,080,820	2,017,765	4,431,410	5,175,673	2,642,526	2,800,360	2,437,532
Taxable income:								
Number of returns.....	4,424,616	1,140,595	1,288,396	1,044,720	587,242	185,538	131,085	47,040
Amount.....	119,099,734	3,604,387	16,356,095	27,773,392	25,578,950	11,848,968	13,633,201	20,304,761
Total tax liability:								
Number of returns.....	4,473,996	1,196,285	1,285,223	1,042,471	586,472	185,360	131,123	47,062
Amount.....	25,118,033	659,334	2,613,848	4,780,607	4,923,677	2,844,755	3,512,173	5,983,639
Average (whole dollars).....	5,614	551	2,034	4,586	8,395	14,268	26,785	127,144
Earned income credit:								
Number of returns.....	553,858	380,575	173,283	--	--	--	--	--
Amount.....	-445,485	-370,686	-74,799	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	416,709	363,905	52,804	--	--	--	--	--
Amount.....	-332,457	-312,715	-19,742	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>INDIANA</b>								
Number of returns.....	2,543,694	1,040,090	623,901	510,621	252,770	66,556	37,064	12,692
Number of exemptions.....	5,633,199	1,534,696	1,452,788	1,466,728	800,673	214,538	121,710	42,066
Adjusted gross income (less deficit).....	71,239,701	6,463,634	13,537,859	19,984,257	15,123,828	5,641,117	4,848,234	5,640,772
Salaries and wages:								
Number of returns.....	2,160,054	804,783	537,367	474,690	238,631	61,698	32,054	10,831
Amount.....	56,234,313	5,191,614	10,798,770	17,225,176	13,021,875	4,519,116	3,019,070	2,458,693
Interest income:								
Number of returns.....	1,539,127	456,691	355,926	387,548	226,728	63,514	36,155	12,565
Amount.....	3,770,102	761,569	830,310	740,736	518,947	230,068	280,075	408,397
Dividends:								
Number of returns.....	458,132	100,429	90,332	110,647	88,523	33,358	24,580	10,263
Amount.....	1,185,095	116,864	154,758	181,060	165,909	94,343	161,643	310,518
Net capital gain (less loss):								
Number of returns.....	233,145	45,941	44,843	52,561	42,506	18,771	19,018	9,505
Amount.....	1,307,590	82,752	78,129	126,677	149,197	110,112	212,474	548,250
Taxable pensions and annuities:								
Number of returns.....	423,619	155,098	121,159	83,158	43,261	11,908	6,869	2,166
Amount.....	3,256,236	772,518	999,393	733,336	425,366	152,120	119,184	54,318
Unemployment compensation:								
Number of returns.....	183,096	55,541	54,436	51,179	18,587	2,833	482	38
Amount.....	240,138	80,203	77,001	60,267	19,143	2,758	689	77
Total itemized deductions:								
Number of returns.....	605,556	33,318	88,531	201,928	176,426	58,340	34,802	12,211
Amount.....	6,828,529	323,555	712,631	1,782,141	1,919,083	829,026	711,773	550,319
Taxable income:								
Number of returns.....	2,059,380	567,242	613,303	509,938	252,656	66,527	37,032	12,682
Amount.....	47,207,605	1,795,795	7,479,965	13,530,658	11,104,874	4,319,892	3,900,263	5,076,159
Total tax liability:								
Number of returns.....	2,088,299	596,988	613,296	509,354	252,461	66,485	37,027	12,688
Amount.....	9,384,324	324,875	1,204,442	2,260,342	2,111,690	965,907	1,018,148	1,498,920
Average (whole dollars).....	4,494	544	1,964	4,438	8,364	14,528	27,497	118,137
Earned income credit:								
Number of returns.....	269,310	180,299	89,011	--	--	--	--	--
Amount.....	-218,319	-179,331	-38,988	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	195,204	171,374	23,830	--	--	--	--	--
Amount.....	-156,664	-147,886	-8,778	--	--	--	--	--
<b>IOWA</b>								
Number of returns.....	1,280,702	543,589	325,372	251,027	112,310	26,280	16,891	5,233
Number of exemptions.....	2,853,687	777,165	790,053	759,450	387,200	86,309	56,196	17,314
Adjusted gross income (less deficit).....	33,208,778	3,009,351	7,086,199	9,754,691	6,690,190	2,227,751	2,217,117	2,223,460
Salaries and wages:								
Number of returns.....	1,030,023	399,401	265,084	223,546	101,022	22,620	13,922	4,428
Amount.....	24,342,316	2,459,778	5,129,221	7,704,554	5,250,316	1,536,478	1,274,700	987,268
Interest income:								
Number of returns.....	901,046	307,254	226,449	213,675	108,239	25,595	16,630	5,204
Amount.....	2,569,705	525,620	620,898	542,800	362,180	152,997	168,819	196,389
Dividends:								
Number of returns.....	300,050	74,905	68,661	74,537	49,960	15,628	11,986	4,373
Amount.....	655,902	78,974	103,736	117,340	100,541	55,496	79,757	120,057
Net capital gain (less loss):								
Number of returns.....	190,597	45,105	46,607	45,189	28,822	10,661	10,080	4,133
Amount.....	906,560	72,043	116,146	145,167	123,741	70,175	112,973	266,315
Taxable pensions and annuities:								
Number of returns.....	196,960	70,291	59,773	39,964	18,198	4,709	3,102	923
Amount.....	1,351,000	305,128	432,999	319,293	169,264	56,511	47,277	20,527
Unemployment compensation:								
Number of returns.....	96,989	28,696	34,751	25,881	6,838	627	166	30
Amount.....	173,983	51,405	65,958	44,618	10,512	1,057	362	71
Total itemized deductions:								
Number of returns.....	331,086	31,209	60,165	108,782	85,836	23,876	16,094	5,124
Amount.....	3,608,577	266,563	500,205	923,325	929,959	356,997	346,620	284,909
Taxable income:								
Number of returns.....	1,045,214	315,086	318,730	250,760	112,263	26,263	16,884	5,228
Amount.....	21,507,515	938,887	3,837,827	6,497,205	4,854,012	1,684,210	1,759,829	1,935,445
Total tax liability:								
Number of returns.....	1,071,395	341,233	319,224	250,408	112,164	26,248	16,872	5,226
Amount.....	4,293,626	182,810	647,746	1,109,241	939,140	387,225	462,614	564,848
Average (whole dollars).....	4,008	536	2,029	4,430	8,371	14,753	27,419	108,084
Earned income credit:								
Number of returns.....	109,648	69,848	39,800	--	--	--	--	--
Amount.....	-85,735	-68,719	-17,016	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	75,094	64,688	10,406	--	--	--	--	--
Amount.....	-56,369	-52,594	-3,775	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>KANSAS</b>								
Number of returns.....	1,127,922	458,230	283,500	220,759	109,463	29,739	19,666	6,565
Number of exemptions.....	2,548,922	676,100	689,084	649,934	350,592	96,142	65,166	21,884
Adjusted gross income (less deficit).....	31,923,472	2,495,587	6,178,008	8,588,605	6,558,721	2,528,839	2,574,513	2,999,200
Salaries and wages:								
Number of returns.....	927,939	344,625	237,445	198,095	99,402	26,333	16,573	5,466
Amount.....	23,907,523	2,241,548	4,690,225	6,933,955	5,271,256	1,868,923	1,598,861	1,302,754
Interest income:								
Number of returns.....	719,232	217,064	173,487	174,338	100,112	28,534	19,186	6,511
Amount.....	2,258,177	407,087	473,765	440,754	319,753	143,951	181,304	291,563
Dividends:								
Number of returns.....	237,949	49,578	48,960	59,366	44,813	16,565	13,307	5,360
Amount.....	679,574	60,138	77,647	96,028	90,136	54,120	85,345	216,160
Net capital gain (less loss):								
Number of returns.....	146,619	29,753	30,578	33,731	25,350	10,963	11,126	5,120
Amount.....	869,007	54,147	52,913	77,412	79,247	54,453	110,075	440,761
Taxable pensions and annuities:								
Number of returns.....	174,436	51,193	51,679	39,319	21,355	5,968	3,850	1,072
Amount.....	1,402,780	235,588	403,499	356,602	231,608	83,239	65,667	26,576
Unemployment compensation:								
Number of returns.....	72,723	23,964	24,638	17,452	5,558	802	279	30
Amount.....	146,072	45,348	51,593	35,170	11,282	1,888	702	88
Total itemized deductions:								
Number of returns.....	298,945	20,571	48,303	95,783	82,688	26,638	18,621	6,341
Amount.....	3,757,199	298,405	418,394	885,767	969,187	418,648	414,695	352,103
Taxable income:								
Number of returns.....	916,054	253,437	276,884	220,419	109,390	29,720	19,844	6,560
Amount.....	21,091,037	773,499	3,321,248	5,705,260	4,723,906	1,896,474	2,030,285	2,640,365
Total tax liability:								
Number of returns.....	935,425	273,177	276,954	220,100	109,298	29,698	19,638	6,560
Amount.....	4,320,626	149,175	550,624	970,801	911,025	430,671	530,467	777,863
Average (whole dollars).....	4,619	546	1,988	4,411	8,335	14,502	27,012	118,577
Earned income credit:								
Number of returns.....	108,505	70,321	38,184	--	--	--	--	--
Amount.....	-85,163	-68,775	-16,388	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	76,913	65,871	11,042	--	--	--	--	--
Amount.....	-59,310	-55,231	-4,079	--	--	--	--	--
<b>KENTUCKY</b>								
Number of returns.....	1,538,049	695,536	386,472	273,826	124,157	30,444	20,167	7,427
Number of exemptions.....	3,433,678	1,142,769	932,680	782,529	389,206	97,203	65,122	24,169
Adjusted gross income (less deficit).....	39,331,477	4,449,975	8,374,063	10,625,840	7,415,795	2,582,892	2,664,123	3,218,790
Salaries and wages:								
Number of returns.....	1,294,843	541,935	334,348	252,394	115,466	27,449	17,092	6,159
Amount.....	30,448,156	3,664,721	6,646,460	8,981,471	6,200,025	1,948,549	1,605,700	1,401,229
Interest income:								
Number of returns.....	817,387	247,673	205,499	199,433	109,219	28,701	19,512	7,350
Amount.....	2,250,358	466,216	492,157	432,436	300,201	133,548	170,751	255,049
Dividends:								
Number of returns.....	230,098	47,744	46,868	55,879	43,966	16,071	13,555	6,015
Amount.....	706,044	62,667	78,634	102,492	100,607	59,993	104,283	197,368
Net capital gain (less loss):								
Number of returns.....	131,046	27,179	26,763	29,316	22,204	9,555	10,555	5,474
Amount.....	875,963	67,845	57,226	78,504	88,337	64,088	131,234	388,729
Taxable pensions and annuities:								
Number of returns.....	229,190	79,609	68,232	46,967	23,425	6,028	3,768	1,161
Amount.....	1,935,289	409,152	597,107	470,717	276,440	88,634	67,120	26,120
Unemployment compensation:								
Number of returns.....	169,777	56,679	60,691	40,270	10,680	1,084	340	33
Amount.....	284,544	92,428	107,317	64,462	17,409	2,019	814	95
Total itemized deductions:								
Number of returns.....	382,993	24,920	68,964	133,949	100,087	28,424	19,415	7,234
Amount.....	4,488,079	285,812	538,096	1,205,761	1,164,475	455,514	442,225	396,196
Taxable income:								
Number of returns.....	1,188,673	353,313	379,864	273,422	124,069	30,423	20,169	7,413
Amount.....	24,742,313	1,132,203	4,434,718	7,041,569	5,305,827	1,915,993	2,092,975	2,819,027
Total tax liability:								
Number of returns.....	1,232,502	397,024	380,259	273,223	124,004	30,407	20,165	7,420
Amount.....	4,932,573	224,237	724,346	1,170,902	1,001,237	430,658	548,818	832,375
Average (whole dollars).....	4,002	565	1,905	4,286	8,074	14,163	27,216	112,160
Earned income credit:								
Number of returns.....	218,663	156,026	62,637	--	--	--	--	--
Amount.....	-178,894	-151,522	-27,372	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	164,640	147,399	17,241	--	--	--	--	--
Amount.....	-128,363	-122,203	-6,160	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>LOUISIANA</b>								
Number of returns.....	1,723,112	818,387	415,802	282,824	137,256	37,113	24,412	9,318
Number of exemptions.....	4,013,650	1,432,012	1,063,967	838,461	446,175	121,601	80,416	31,018
Adjusted gross income (less deficit).....	43,422,532	4,754,075	8,957,180	10,987,142	8,224,688	3,153,805	3,226,170	4,109,472
Salaries and wages:								
Number of returns.....	1,467,458	657,127	363,578	259,198	126,973	33,351	19,915	7,316
Amount.....	34,093,712	4,568,710	7,291,795	8,276,622	6,855,238	2,413,163	1,893,038	1,795,146
Interest income:								
Number of returns.....	839,607	250,830	203,711	199,231	118,705	34,577	23,404	9,149
Amount.....	2,278,971	409,190	437,612	416,320	321,740	152,826	213,391	327,892
Dividends:								
Number of returns.....	245,306	50,510	47,680	58,254	47,324	18,678	15,574	7,286
Amount.....	674,027	66,973	78,723	100,354	99,760	60,746	102,689	164,782
Net capital gain (less loss):								
Number of returns.....	130,749	24,984	23,458	28,059	23,778	11,177	12,428	6,865
Amount.....	739,989	47,913	24,866	43,932	60,978	52,034	115,225	395,040
Taxable pensions and annuities:								
Number of returns.....	234,184	71,755	67,069	51,136	29,381	8,319	5,027	1,497
Amount.....	2,265,678	404,876	642,247	564,524	374,777	130,459	103,032	45,763
Unemployment compensation:								
Number of returns.....	101,302	41,119	33,251	19,959	5,785	931	234	23
Amount.....	164,426	59,492	58,408	33,944	10,319	1,764	433	66
Total itemized deductions:								
Number of returns.....	306,638	20,436	54,016	83,449	81,289	28,342	20,549	8,555
Amount.....	3,592,970	181,202	509,976	671,439	891,034	393,529	392,905	352,885
Taxable income:								
Number of returns.....	1,271,848	375,610	406,006	282,322	137,138	37,078	24,385	9,309
Amount.....	28,133,419	1,153,091	4,619,143	7,394,193	6,105,460	2,461,249	2,658,100	3,742,182
Total tax liability:								
Number of returns.....	1,299,841	406,557	404,379	281,289	138,881	37,036	24,386	9,313
Amount.....	5,743,196	222,046	740,654	1,230,206	1,173,097	557,909	708,953	1,110,330
Average (whole dollars).....	4,418	546	1,832	4,373	8,570	15,064	29,072	119,224
Earned income credit:								
Number of returns.....	360,904	275,846	85,058	--	--	--	--	--
Amount.....	-312,104	-273,862	-38,242	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	293,183	265,954	27,229	--	--	--	--	--
Amount.....	-246,991	-236,762	-10,229	--	--	--	--	--
<b>MAINE</b>								
Number of returns.....	556,103	232,395	150,313	107,412	46,459	10,337	6,947	2,240
Number of exemptions.....	1,195,178	335,543	344,022	307,098	145,932	32,775	22,636	7,172
Adjusted gross income (less deficit).....	14,427,524	1,463,064	3,263,053	4,160,577	2,763,724	877,868	918,563	980,674
Salaries and wages:								
Number of returns.....	465,731	178,984	129,403	98,309	42,622	9,003	5,626	1,784
Amount.....	10,855,180	1,138,380	2,520,736	3,437,846	2,251,735	625,547	506,847	374,090
Interest income:								
Number of returns.....	369,360	115,197	99,985	90,631	44,273	10,159	6,883	2,232
Amount.....	869,405	168,950	193,155	179,321	123,273	54,330	71,912	78,464
Dividends:								
Number of returns.....	102,569	24,905	23,679	24,910	17,040	5,494	4,740	1,801
Amount.....	345,627	36,358	49,327	61,838	56,650	31,524	52,469	57,460
Net capital gain (less loss):								
Number of returns.....	53,213	11,494	11,480	12,317	8,816	3,544	3,894	1,668
Amount.....	370,510	27,769	25,577	41,259	45,873	32,275	60,381	137,377
Taxable pensions and annuities:								
Number of returns.....	85,221	27,065	26,753	18,686	8,849	2,078	1,403	387
Amount.....	784,946	138,486	250,205	204,891	118,357	33,609	28,842	10,556
Unemployment compensation:								
Number of returns.....	70,832	30,760	22,948	13,673	2,972	352	116	11
Amount.....	180,650	80,228	60,483	32,118	6,522	916	345	38
Total itemized deductions:								
Number of returns.....	146,913	10,419	27,463	52,023	38,137	9,871	6,802	2,198
Amount.....	1,826,897	106,810	240,120	511,645	473,772	172,270	176,712	145,569
Taxable income:								
Number of returns.....	451,200	130,803	147,422	107,091	46,398	10,320	6,931	2,235
Amount.....	9,034,692	428,267	1,776,383	2,718,750	1,941,172	636,262	698,866	834,991
Total tax liability:								
Number of returns.....	464,505	143,553	147,979	107,093	46,387	10,318	6,939	2,236
Amount.....	1,765,678	83,708	292,478	453,514	363,949	143,343	183,114	245,572
Average (whole dollars).....	3,801	583	1,976	4,235	7,846	13,893	26,389	109,826
Earned income credit:								
Number of returns.....	56,209	36,540	19,669	--	--	--	--	--
Amount.....	-42,586	-34,115	-8,471	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	38,578	33,448	5,130	--	--	--	--	--
Amount.....	-26,926	-25,096	-1,830	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MARYLAND</b>								
Number of returns.....	2,320,709	769,420	581,543	460,707	295,340	117,187	77,390	19,122
Number of exemptions.....	4,869,166	1,026,819	1,181,602	1,121,800	868,731	363,237	244,377	62,600
Adjusted gross income (less deficit).....	81,110,339	4,335,128	12,720,816	18,040,228	17,947,028	10,017,869	9,964,233	8,085,036
Salaries and wages:								
Number of returns.....	2,002,058	606,072	509,732	417,909	273,150	109,203	70,090	15,902
Amount.....	64,237,010	4,151,999	10,437,612	15,053,842	15,087,096	8,340,309	7,342,319	3,823,832
Interest income:								
Number of returns.....	1,497,605	341,821	321,528	359,437	267,814	112,264	75,749	18,992
Amount.....	4,049,273	551,208	568,867	678,957	635,410	371,008	503,977	739,847
Dividends:								
Number of returns.....	496,736	86,098	75,384	106,953	106,264	56,796	49,619	15,822
Amount.....	1,573,078	120,052	146,956	218,295	244,482	166,910	279,702	396,681
Net capital gain (less loss):								
Number of returns.....	239,829	33,024	30,894	45,546	48,815	30,516	36,574	14,460
Amount.....	1,942,404	158,974	41,817	81,238	138,124	130,946	320,639	1,072,666
Taxable pensions and annuities:								
Number of returns.....	368,450	83,510	94,037	84,724	61,260	24,718	16,694	3,507
Amount.....	4,863,741	487,924	988,224	1,203,540	1,080,387	517,438	429,921	156,308
Unemployment compensation:								
Number of returns.....	163,706	51,452	50,594	37,182	18,752	4,055	1,537	134
Amount.....	420,433	133,209	134,973	90,584	46,241	10,476	4,482	467
Total itemized deductions:								
Number of returns.....	926,463	44,411	134,060	277,009	261,143	114,253	76,607	18,980
Amount.....	14,616,424	629,556	1,289,869	3,142,912	3,864,865	2,250,351	2,115,622	1,323,249
Taxable income:								
Number of returns.....	1,995,611	461,209	567,486	458,573	294,886	117,077	77,294	19,086
Amount.....	53,735,004	1,520,234	7,243,534	11,734,880	12,112,266	7,004,114	7,368,664	6,751,312
Total tax liability:								
Number of returns.....	2,013,042	478,671	567,115	458,777	294,957	117,107	77,320	19,095
Amount.....	11,044,344	271,127	1,140,453	2,018,979	2,273,703	1,508,935	1,849,240	1,981,906
Average (whole dollars).....	5,486	566	2,011	4,401	7,709	12,885	23,917	103,792
Earned income credit:								
Number of returns.....	223,204	143,145	80,059	--	--	--	--	--
Amount.....	-176,925	-142,250	-34,675	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	158,370	135,743	22,627	--	--	--	--	--
Amount.....	-124,226	-115,977	-8,249	--	--	--	--	--
<b>MASSACHUSETTS</b>								
Number of returns.....	2,836,484	978,938	740,139	564,351	331,892	113,867	81,436	25,861
Number of exemptions.....	5,720,244	1,256,356	1,415,599	1,380,024	960,414	348,514	256,229	83,108
Adjusted gross income (less deficit).....	95,332,718	4,828,678	16,239,078	21,993,953	20,073,615	9,707,676	10,701,466	11,788,263
Salaries and wages:								
Number of returns.....	2,374,496	704,513	637,226	519,362	312,217	106,395	72,988	21,795
Amount.....	74,123,220	4,630,038	12,802,837	18,365,651	17,125,441	8,060,213	7,682,349	5,456,691
Interest income:								
Number of returns.....	2,120,337	573,434	523,257	491,053	315,225	111,279	80,342	25,747
Amount.....	5,917,689	965,284	1,053,881	1,069,549	842,014	425,476	590,042	971,443
Dividends:								
Number of returns.....	640,640	136,878	118,595	138,379	116,839	55,931	52,723	21,295
Amount.....	2,208,297	189,925	218,430	286,655	287,812	197,371	366,619	661,484
Net capital gain (less loss):								
Number of returns.....	318,322	53,341	48,227	62,305	59,486	33,568	41,563	19,832
Amount.....	2,875,846	194,304	56,195	105,856	178,187	169,684	433,771	1,737,868
Taxable pensions and annuities:								
Number of returns.....	457,616	139,177	132,107	93,746	56,174	18,639	13,562	4,211
Amount.....	4,093,493	705,952	1,156,238	958,188	633,516	253,827	251,900	133,873
Unemployment compensation:								
Number of returns.....	317,025	93,569	96,630	77,392	37,617	8,008	3,412	397
Amount.....	1,147,227	289,660	374,185	299,242	139,739	29,699	13,013	1,690
Total itemized deductions:								
Number of returns.....	977,385	64,823	145,247	281,843	271,490	108,132	80,225	25,625
Amount.....	15,395,497	881,617	1,508,734	3,180,180	3,842,885	2,034,901	2,194,589	1,752,591
Taxable income:								
Number of returns.....	2,435,772	601,563	721,010	561,205	331,206	113,665	81,299	25,824
Amount.....	65,221,931	2,029,240	9,676,096	14,692,856	13,879,322	6,923,583	8,010,335	10,010,499
Total tax liability:								
Number of returns.....	2,477,010	637,634	725,418	561,773	331,273	113,720	81,350	25,842
Amount.....	13,698,036	380,718	1,564,601	2,590,324	2,658,521	1,524,860	2,043,023	2,935,989
Average (whole dollars).....	5,530	597	2,157	4,611	8,025	13,409	25,114	113,613
Earned income credit:								
Number of returns.....	170,510	105,584	64,946	--	--	--	--	--
Amount.....	-127,107	-99,637	-27,470	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	113,400	96,306	17,094	--	--	--	--	--
Amount.....	-81,254	-75,089	-6,165	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MICHIGAN</b>								
Number of returns.....	4,181,202	1,663,739	946,844	839,286	476,560	147,687	82,645	24,441
Number of exemptions.....	8,983,053	2,315,426	2,089,892	2,271,219	1,486,527	473,385	267,210	79,394
Adjusted gross income (less deficit).....	126,861,805	10,132,549	20,631,399	32,975,164	28,720,687	12,552,433	10,692,118	11,157,455
Salaries and wages:								
Number of returns.....	3,523,940	1,264,512	793,952	776,957	452,330	139,725	74,949	21,515
Amount.....	100,333,742	7,637,722	15,575,397	27,886,768	24,878,157	10,610,003	7,836,608	5,909,087
Interest income:								
Number of returns.....	2,680,978	767,308	582,253	654,936	431,198	140,686	80,420	24,177
Amount.....	6,531,841	1,192,431	1,306,115	1,201,986	932,492	440,047	550,263	908,508
Dividends:								
Number of returns.....	955,304	205,699	180,491	223,126	191,273	78,659	55,751	20,305
Amount.....	2,592,357	278,529	341,173	395,174	363,787	211,250	315,617	688,827
Net capital gain (less loss):								
Number of returns.....	455,252	85,442	82,362	98,505	86,719	41,751	41,901	18,572
Amount.....	2,494,140	143,860	126,171	218,351	272,426	197,745	392,612	1,142,975
Taxable pensions and annuities:								
Number of returns.....	709,480	259,689	202,076	131,003	74,054	24,032	14,733	3,893
Amount.....	6,444,887	1,464,905	1,964,235	1,437,213	864,348	329,362	267,173	117,651
Unemployment compensation:								
Number of returns.....	549,780	127,238	151,005	177,875	76,589	14,250	2,654	169
Amount.....	1,484,839	318,645	459,213	474,462	188,413	35,449	8,028	630
Total itemized deductions:								
Number of returns.....	1,361,674	74,739	195,642	446,583	398,515	141,251	80,841	24,103
Amount.....	16,710,063	805,453	1,610,882	4,089,509	4,705,138	2,273,595	1,894,017	1,331,468
Taxable income:								
Number of returns.....	3,423,646	924,109	930,705	837,954	476,272	147,601	82,581	24,424
Amount.....	84,576,918	2,946,975	11,631,398	22,200,791	20,477,655	9,253,905	8,265,510	9,800,685
Total tax liability:								
Number of returns.....	3,463,780	966,539	930,590	836,438	475,748	147,465	82,578	24,422
Amount.....	16,973,679	525,703	1,860,148	3,756,833	3,856,157	2,017,212	2,088,903	2,868,722
Average (whole dollars).....	4,900	544	1,999	4,491	8,105	13,679	25,296	117,465
Earned income credit:								
Number of returns.....	362,591	249,163	113,428	--	--	--	--	--
Amount.....	-275,800	-228,165	-47,635	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	265,979	236,199	29,780	--	--	--	--	--
Amount.....	-196,989	-186,321	-10,668	--	--	--	--	--
<b>MINNESOTA</b>								
Number of returns.....	2,047,848	784,231	508,132	418,356	219,995	60,920	42,563	13,651
Number of exemptions.....	4,392,642	1,011,898	1,102,335	1,191,951	706,109	196,672	139,628	44,049
Adjusted gross income (less deficit).....	62,288,668	4,550,732	11,107,703	16,351,217	13,188,315	5,184,461	5,605,303	6,300,935
Salaries and wages:								
Number of returns.....	1,724,131	594,974	430,392	384,730	207,035	56,553	38,424	12,023
Amount.....	48,109,214	3,778,894	8,469,105	13,538,506	11,157,118	4,149,522	4,008,193	3,007,876
Interest income:								
Number of returns.....	1,422,320	421,581	337,533	345,623	203,493	58,753	41,779	13,558
Amount.....	3,490,005	636,047	717,093	646,511	454,921	206,948	284,520	543,965
Dividends:								
Number of returns.....	491,522	105,803	99,656	118,553	91,761	34,967	29,552	11,230
Amount.....	1,261,191	126,490	158,491	181,312	159,812	94,669	155,436	384,981
Net capital gain (less loss):								
Number of returns.....	299,705	61,312	61,922	66,502	51,564	23,171	24,477	10,757
Amount.....	1,738,062	113,877	137,458	172,917	169,830	121,736	237,916	784,326
Taxable pensions and annuities:								
Number of returns.....	295,033	90,404	89,272	63,369	33,144	9,506	6,975	2,363
Amount.....	2,524,225	430,071	773,082	641,004	367,307	130,215	115,824	66,723
Unemployment compensation:								
Number of returns.....	150,886	38,863	50,649	42,906	15,036	2,306	1,001	125
Amount.....	390,286	81,326	139,879	117,327	41,254	7,044	3,082	375
Total itemized deductions:								
Number of returns.....	731,088	43,068	124,662	253,034	195,710	59,102	41,974	13,538
Amount.....	9,646,173	405,111	1,042,999	2,535,095	2,505,207	1,062,815	1,124,368	970,577
Taxable income:								
Number of returns.....	1,731,693	480,342	497,131	417,407	219,811	60,862	42,504	13,636
Amount.....	40,599,694	1,499,259	6,240,489	10,554,001	9,069,504	3,705,077	4,215,173	5,316,190
Total tax liability:								
Number of returns.....	1,765,596	513,857	498,511	416,622	219,627	60,830	42,510	13,639
Amount.....	8,254,626	283,959	1,032,745	1,799,324	1,695,848	817,335	1,070,957	1,554,457
Average (whole dollars).....	4,675	553	2,072	4,319	7,721	13,436	25,193	113,971
Earned income credit:								
Number of returns.....	143,576	90,326	53,250	--	--	--	--	--
Amount.....	-110,492	-87,743	-22,749	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	96,804	82,737	14,067	--	--	--	--	--
Amount.....	-70,023	-64,875	-5,148	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MISSISSIPPI</b>								
Number of returns.....	1,035,518	533,403	254,757	153,342	65,166	15,336	9,898	3,616
Number of exemptions.....	2,421,551	990,519	664,785	463,869	209,047	49,257	32,184	11,890
Adjusted gross income (less deficit).....	22,782,594	3,444,519	5,444,990	5,932,641	3,882,045	1,300,984	1,307,543	1,469,872
Salaries and wages:								
Number of returns.....	902,397	450,064	227,185	140,814	59,951	13,529	7,977	2,877
Amount.....	18,088,245	3,180,958	4,528,580	4,987,092	3,159,618	929,349	697,630	605,019
Interest income:								
Number of returns.....	422,103	127,564	109,611	102,310	55,249	14,318	9,488	3,563
Amount.....	1,164,122	224,486	249,024	226,312	167,912	73,683	96,150	126,575
Dividends:								
Number of returns.....	120,841	25,281	25,360	30,075	22,644	8,002	6,562	2,917
Amount.....	303,527	29,075	37,544	45,967	45,071	27,030	44,394	74,446
Net capital gain (less loss):								
Number of returns.....	68,614	13,813	13,516	15,718	12,214	5,121	5,495	2,737
Amount.....	436,688	32,023	30,116	44,872	50,265	37,068	76,400	165,944
Taxable pensions and annuities:								
Number of returns.....	126,013	39,349	37,751	28,302	14,474	3,575	1,991	571
Amount.....	1,140,437	205,277	334,226	302,146	187,390	60,510	37,553	13,335
Unemployment compensation:								
Number of returns.....	86,418	45,894	24,354	12,910	2,766	387	99	8
Amount.....	126,525	66,414	36,564	18,408	4,296	615	215	13
Total itemized deductions:								
Number of returns.....	190,001	13,094	37,887	64,275	48,409	13,600	9,261	3,475
Amount.....	2,108,414	117,292	310,985	585,164	540,305	199,532	190,522	164,614
Taxable income:								
Number of returns.....	729,400	233,671	248,687	153,094	65,114	15,331	9,889	3,614
Amount.....	13,479,970	697,288	2,725,707	3,898,584	2,813,704	990,869	1,053,050	1,300,768
Total tax liability:								
Number of returns.....	748,353	254,062	247,827	152,651	65,005	15,312	9,883	3,613
Amount.....	2,644,862	135,003	436,912	643,175	536,198	226,403	280,552	384,619
Average (whole dollars).....	3,534	531	1,771	4,213	8,249	14,786	28,387	106,454
Earned income credit:								
Number of returns.....	283,348	222,747	60,601	--	--	--	--	--
Amount.....	-254,795	-226,299	-28,496	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	236,116	216,459	19,657	--	--	--	--	--
Amount.....	-205,126	-197,631	-7,495	--	--	--	--	--
<b>MISSOURI</b>								
Number of returns.....	2,294,575	971,580	581,166	426,411	208,010	57,619	37,042	12,747
Number of exemptions.....	5,058,603	1,489,399	1,366,001	1,205,571	652,094	183,791	119,991	41,756
Adjusted gross income (less deficit).....	63,470,856	6,003,692	12,591,191	16,594,118	12,464,347	4,896,855	4,865,877	6,054,776
Salaries and wages:								
Number of returns.....	1,910,373	748,192	489,926	385,979	191,653	52,109	31,856	10,658
Amount.....	48,384,646	4,924,578	9,706,789	13,696,993	10,317,290	3,800,094	3,181,312	2,757,590
Interest income:								
Number of returns.....	1,392,948	421,045	347,131	332,559	188,541	54,907	36,121	12,644
Amount.....	4,249,831	793,716	931,704	821,159	578,294	261,437	333,018	530,503
Dividends:								
Number of returns.....	485,977	101,685	102,293	120,052	90,925	34,057	26,274	10,691
Amount.....	1,509,696	135,839	183,419	223,828	209,760	130,100	217,569	409,180
Net capital gain (less loss):								
Number of returns.....	274,252	58,263	58,287	61,462	45,602	20,016	20,568	10,054
Amount.....	1,551,465	121,443	102,656	142,752	149,314	101,883	210,264	723,152
Taxable pensions and annuities:								
Number of returns.....	376,855	121,472	114,356	77,934	40,873	12,139	7,725	2,356
Amount.....	3,155,525	595,447	965,723	772,286	458,502	163,984	132,730	66,853
Unemployment compensation:								
Number of returns.....	223,898	84,621	68,754	50,767	16,761	2,321	623	51
Amount.....	395,673	149,767	125,447	86,577	28,283	4,167	1,299	134
Total itemized deductions:								
Number of returns.....	573,714	35,804	94,584	189,086	155,616	51,490	34,874	12,260
Amount.....	6,881,733	463,320	776,663	1,722,428	1,776,961	782,379	746,393	613,590
Taxable income:								
Number of returns.....	1,840,170	529,140	570,159	425,700	207,859	57,575	37,000	12,737
Amount.....	41,738,591	1,683,307	6,852,217	11,146,995	9,046,689	3,703,059	3,879,472	5,426,853
Total tax liability:								
Number of returns.....	1,883,731	573,351	570,616	424,862	207,614	57,533	37,014	12,741
Amount.....	8,472,800	316,980	1,116,581	1,877,871	1,725,919	829,612	1,005,355	1,600,482
Average (whole dollars).....	4,498	553	1,957	4,420	8,313	14,420	27,161	125,617
Earned income credit:								
Number of returns.....	272,628	187,339	85,289	--	--	--	--	--
Amount.....	-221,104	-183,865	-37,239	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	201,224	177,493	23,731	--	--	--	--	--
Amount.....	-158,794	-150,102	-8,692	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MONTANA</b>								
Number of returns.....	387,733	173,780	92,437	64,769	25,754	5,629	4,118	1,246
Number of exemptions.....	826,546	271,773	237,956	197,633	83,555	18,061	13,566	4,002
Adjusted gross income (less deficit).....	8,488,749	877,125	2,005,316	2,508,480	1,527,117	478,686	545,848	546,176
Salaries and wages:								
Number of returns.....	288,778	127,007	74,953	56,258	22,226	4,449	2,974	909
Amount.....	5,867,385	799,244	1,424,799	1,900,102	1,092,861	266,942	229,468	153,970
Interest income:								
Number of returns.....	241,340	88,234	63,760	54,556	24,064	5,450	4,037	1,239
Amount.....	678,412	137,461	153,101	139,589	93,502	40,056	52,275	62,428
Dividends:								
Number of returns.....	88,977	25,607	21,892	21,531	12,348	3,587	2,988	1,024
Amount.....	217,103	32,803	39,158	42,273	33,459	16,402	24,223	28,784
Net capital gain (less loss):								
Number of returns.....	63,115	18,005	15,480	14,335	8,615	2,875	2,790	1,015
Amount.....	366,812	39,048	41,874	57,171	53,584	33,625	56,219	85,294
Taxable pensions and annuities:								
Number of returns.....	57,097	20,081	18,011	11,821	5,019	1,211	783	171
Amount.....	522,164	104,476	168,073	139,793	70,650	21,205	14,176	3,790
Unemployment compensation:								
Number of returns.....	29,106	10,602	10,904	6,160	1,293	107	37	3
Amount.....	52,893	16,824	21,754	11,441	2,538	233	101	2
Total itemized deductions:								
Number of returns.....	96,686	11,244	22,141	33,586	19,881	4,866	3,780	1,188
Amount.....	1,005,011	86,976	172,584	301,673	226,388	75,180	80,013	62,198
Taxable income:								
Number of returns.....	280,280	89,063	89,853	64,646	25,730	5,626	4,116	1,246
Amount.....	5,304,294	268,470	1,023,677	1,631,508	1,096,649	363,026	438,687	482,278
Total tax liability:								
Number of returns.....	291,317	99,878	90,172	64,565	25,719	5,620	4,117	1,246
Amount.....	1,072,698	55,714	175,084	280,220	215,681	86,324	118,759	140,916
Average (whole dollars).....	3,682	558	1,942	4,340	8,386	15,360	28,846	113,095
Earned income credit:								
Number of returns.....	44,028	30,200	13,828	--	--	--	--	--
Amount.....	-34,965	-28,971	-5,994	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	31,972	27,864	4,108	--	--	--	--	--
Amount.....	-23,783	-22,267	-1,516	--	--	--	--	--
<b>NEBRASKA</b>								
Number of returns.....	744,710	322,075	191,064	140,520	61,984	15,599	10,013	3,455
Number of exemptions.....	1,652,978	453,983	468,460	429,615	203,799	51,840	33,737	11,544
Adjusted gross income (less deficit).....	19,315,152	1,740,840	4,143,950	5,448,840	3,693,662	1,325,517	1,309,861	1,652,482
Salaries and wages:								
Number of returns.....	611,168	246,368	159,224	125,088	55,613	13,587	8,356	2,932
Amount.....	14,251,155	1,592,937	3,108,750	4,312,131	2,877,071	923,513	756,697	680,055
Interest income:								
Number of returns.....	500,794	168,870	127,834	117,434	58,194	15,161	9,859	3,442
Amount.....	1,423,027	283,163	330,765	294,491	192,902	84,859	95,761	141,086
Dividends:								
Number of returns.....	164,363	38,320	37,113	41,941	27,898	9,239	6,969	2,883
Amount.....	388,375	42,917	56,271	64,363	56,473	31,615	48,317	88,419
Net capital gain (less loss):								
Number of returns.....	107,363	25,425	25,569	24,894	16,482	6,216	6,014	2,763
Amount.....	602,393	54,960	64,543	77,620	70,853	39,631	73,972	220,814
Taxable pensions and annuities:								
Number of returns.....	98,991	30,221	29,942	22,117	11,068	3,068	1,932	643
Amount.....	776,525	125,261	223,268	203,995	131,869	44,522	31,408	16,202
Unemployment compensation:								
Number of returns.....	32,307	13,074	10,664	6,779	1,530	183	70	7
Amount.....	45,006	17,796	15,200	9,266	2,303	277	150	13
Total itemized deductions:								
Number of returns.....	179,511	13,109	31,575	61,420	46,761	13,907	9,379	3,360
Amount.....	2,099,667	128,155	260,792	558,528	540,011	218,522	207,909	187,749
Taxable income:								
Number of returns.....	605,408	187,575	186,509	140,323	61,945	15,592	10,010	3,454
Amount.....	12,508,943	577,762	2,214,888	3,579,513	2,648,375	993,696	1,033,986	1,460,724
Total tax liability:								
Number of returns.....	621,483	203,455	186,902	140,165	61,912	15,586	10,009	3,454
Amount.....	2,536,170	111,869	374,028	612,591	511,772	227,504	270,322	428,085
Average (whole dollars).....	4,081	550	2,001	4,370	8,266	14,597	27,008	123,939
Earned income credit:								
Number of returns.....	71,579	46,495	25,084	--	--	--	--	--
Amount.....	-57,347	-46,347	-11,000	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	50,442	43,219	7,223	--	--	--	--	--
Amount.....	-38,676	-35,936	-2,740	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NEVADA</b>								
Number of returns.....	642,776	248,633	179,200	121,110	59,805	17,342	11,558	5,128
Number of exemptions.....	1,359,306	380,631	381,444	317,955	177,786	52,265	34,166	15,059
Adjusted gross income (less deficit).....	20,138,360	1,494,905	3,856,788	4,710,273	3,591,394	1,475,464	1,525,830	3,483,707
Salaries and wages:								
Number of returns.....	546,646	196,909	157,154	109,722	54,533	15,247	9,244	3,837
Amount.....	14,443,351	1,485,958	3,130,760	3,871,664	2,897,238	1,087,566	888,226	1,081,937
Interest income:								
Number of returns.....	326,511	80,893	83,745	80,550	49,461	15,838	10,991	5,033
Amount.....	1,327,401	186,868	176,380	184,266	151,304	84,341	133,375	410,868
Dividends:								
Number of returns.....	103,512	20,351	21,580	24,295	18,960	7,905	6,657	3,764
Amount.....	436,933	35,748	43,853	52,783	48,459	30,885	50,057	175,147
Net capital gain (less loss):								
Number of returns.....	70,942	12,872	13,603	15,562	12,549	6,027	6,392	3,937
Amount.....	1,103,307	54,523	20,160	43,138	61,922	56,185	123,260	744,119
Taxable pensions and annuities:								
Number of returns.....	99,176	24,742	28,974	23,603	14,038	4,266	2,759	794
Amount.....	1,113,376	141,444	287,419	296,968	210,356	79,589	64,764	32,837
Unemployment compensation:								
Number of returns.....	55,519	19,431	17,778	12,775	4,560	702	245	28
Amount.....	122,609	41,149	42,398	27,597	9,248	1,528	604	85
Total itemized deductions:								
Number of returns.....	176,239	15,200	35,677	55,085	42,065	14,236	9,772	4,204
Amount.....	2,359,891	179,491	327,153	576,236	540,807	238,120	232,268	265,816
Taxable income:								
Number of returns.....	525,591	136,457	174,827	120,864	59,703	17,307	11,520	5,113
Amount.....	13,956,896	508,918	2,152,515	3,158,338	2,591,461	1,113,860	1,221,545	3,210,259
Total tax liability:								
Number of returns.....	532,687	144,411	174,296	120,409	59,638	17,301	11,523	5,109
Amount.....	3,015,914	95,177	341,365	538,070	498,300	250,860	318,493	973,649
Average (whole dollars).....	5,662	659	1,959	4,469	8,355	14,500	27,640	190,575
Earned income credit:								
Number of returns.....	69,869	45,650	24,219	--	--	--	--	--
Amount.....	-55,947	-45,419	-10,528	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	51,005	43,461	7,544	--	--	--	--	--
Amount.....	-40,642	-37,849	-2,793	--	--	--	--	--
<b>NEW HAMPSHIRE</b>								
Number of returns.....	534,128	191,218	135,177	109,830	63,406	19,165	12,127	3,205
Number of exemptions.....	1,130,019	249,276	279,360	296,289	195,654	60,541	38,852	10,047
Adjusted gross income (less deficit).....	16,883,496	949,554	2,957,689	4,299,131	3,820,739	1,631,035	1,580,467	1,644,881
Salaries and wages:								
Number of returns.....	453,893	145,114	117,528	101,134	59,359	17,665	10,485	2,608
Amount.....	13,304,731	948,465	2,357,271	3,613,587	3,266,649	1,333,773	1,091,731	693,256
Interest income:								
Number of returns.....	382,810	102,891	91,316	94,136	60,438	18,809	12,027	3,193
Amount.....	1,005,821	164,179	184,789	189,536	149,255	73,512	102,070	142,480
Dividends:								
Number of returns.....	116,924	24,698	22,343	27,080	22,901	9,575	7,767	2,560
Amount.....	406,335	34,761	46,329	59,645	59,210	38,830	67,042	100,517
Net capital gain (less loss):								
Number of returns.....	64,776	11,922	11,320	13,996	12,340	6,125	6,574	2,499
Amount.....	630,842	34,221	15,183	28,233	38,629	32,585	76,646	405,346
Taxable pensions and annuities:								
Number of returns.....	79,960	22,383	22,423	18,015	10,872	3,362	2,281	624
Amount.....	741,749	105,671	186,810	186,591	135,421	53,078	51,247	22,933
Unemployment compensation:								
Number of returns.....	50,206	15,008	15,789	13,101	5,101	890	287	30
Amount.....	121,379	34,712	37,118	32,526	13,394	2,626	919	85
Total itemized deductions:								
Number of returns.....	176,952	13,165	28,463	54,845	49,062	17,252	11,311	2,854
Amount.....	2,429,643	153,791	279,670	601,726	668,865	305,287	274,063	146,240
Taxable income:								
Number of returns.....	449,782	111,358	131,355	109,327	63,299	19,136	12,107	3,200
Amount.....	11,431,825	365,812	1,679,100	2,808,651	2,665,621	1,189,797	1,228,892	1,493,951
Total tax liability:								
Number of returns.....	460,575	120,878	132,548	109,405	63,299	19,135	12,110	3,200
Amount.....	2,344,529	71,410	276,999	481,932	503,202	262,452	313,904	434,631
Average (whole dollars).....	5,090	591	2,090	4,405	7,950	13,716	25,921	135,822
Earned income credit:								
Number of returns.....	37,711	23,402	14,309	--	--	--	--	--
Amount.....	-28,776	-22,715	-6,061	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	24,822	21,294	3,528	--	--	--	--	--
Amount.....	-18,010	-16,771	-1,239	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued**  
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NEW JERSEY</b>								
Number of returns.....	3,827,040	1,301,578	922,715	741,210	482,158	193,121	143,316	42,942
Number of exemptions.....	8,031,834	1,758,636	1,875,851	1,784,183	1,413,694	600,368	458,442	140,660
Adjusted gross income (less deficit).....	140,840,727	7,665,522	20,232,073	28,983,779	29,303,608	16,518,113	18,729,349	19,408,283
Salaries and wages:								
Number of returns.....	3,195,297	933,352	786,507	672,558	451,321	182,066	131,944	37,549
Amount.....	110,661,583	6,177,322	15,900,537	24,023,711	24,974,024	14,029,493	14,508,310	11,048,186
Interest income:								
Number of returns.....	2,675,667	687,902	581,257	600,698	440,696	183,982	138,781	42,351
Amount.....	8,432,182	1,254,361	1,392,437	1,470,017	1,226,988	643,835	862,786	1,581,758
Dividends:								
Number of returns.....	994,267	205,767	162,475	204,236	192,254	100,436	93,986	35,113
Amount.....	3,256,587	298,253	374,272	486,410	484,924	302,348	479,968	830,412
Net capital gain (less loss):								
Number of returns.....	451,113	73,871	63,231	84,095	84,283	50,518	63,884	31,231
Amount.....	2,888,476	69,985	49,829	117,242	190,651	182,097	486,435	1,792,239
Taxable pensions and annuities:								
Number of returns.....	617,827	169,352	163,848	129,195	88,691	34,874	25,173	6,694
Amount.....	5,631,938	811,936	1,374,212	1,330,658	1,012,769	454,778	433,025	214,559
Unemployment compensation:								
Number of returns.....	373,325	112,260	108,012	82,772	49,895	13,423	6,275	688
Amount.....	1,343,420	354,712	417,576	313,828	181,024	49,194	24,303	2,783
Total itemized deductions:								
Number of returns.....	1,415,518	90,462	202,973	372,749	386,198	180,717	139,932	42,487
Amount.....	23,177,044	1,099,932	2,045,160	4,252,602	5,535,920	3,389,592	3,834,049	3,019,788
Taxable income:								
Number of returns.....	3,257,285	765,331	895,224	736,622	481,225	192,898	143,103	42,882
Amount.....	96,238,735	2,445,300	11,640,314	19,446,847	20,351,258	11,816,001	14,012,134	16,526,681
Total tax liability:								
Number of returns.....	3,292,659	798,059	897,483	737,107	481,149	192,824	143,143	42,894
Amount.....	20,649,895	446,230	1,856,854	3,436,274	3,921,424	2,582,966	3,536,829	4,869,318
Average (whole dollars).....	6,271	559	2,069	4,662	8,150	13,395	24,708	113,520
Earned income credit:								
Number of returns.....	324,255	213,048	111,207	--	--	--	--	--
Amount.....	-254,124	-206,820	-47,204	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	232,895	200,047	32,848	--	--	--	--	--
Amount.....	-179,387	-167,483	-11,904	--	--	--	--	--
<b>NEW MEXICO</b>								
Number of returns.....	680,292	324,931	167,997	109,440	51,139	14,800	9,526	2,459
Number of exemptions.....	1,571,196	576,145	428,906	322,367	160,852	45,824	29,571	7,531
Adjusted gross income (less deficit).....	16,303,476	1,898,740	3,612,597	4,238,598	3,065,040	1,281,865	1,237,228	989,407
Salaries and wages:								
Number of returns.....	567,836	258,549	143,911	96,936	45,610	13,004	7,945	1,881
Amount.....	12,464,218	1,739,569	2,867,119	3,408,603	2,408,918	917,132	751,152	371,725
Interest income:								
Number of returns.....	348,625	107,005	89,846	80,607	45,257	14,156	9,311	2,443
Amount.....	922,288	160,662	182,631	184,594	138,264	69,453	92,263	94,421
Dividends:								
Number of returns.....	109,453	24,257	22,799	26,194	19,763	8,111	6,373	1,956
Amount.....	312,833	35,903	45,555	56,663	48,949	28,875	43,870	53,017
Net capital gain (less loss):								
Number of returns.....	71,379	15,013	14,488	16,067	12,503	5,706	5,616	1,986
Amount.....	394,295	25,138	22,320	37,596	48,893	36,389	76,128	147,832
Taxable pensions and annuities:								
Number of returns.....	103,211	30,635	30,476	23,316	12,376	3,685	2,275	448
Amount.....	1,192,198	176,483	321,839	323,371	219,409	80,121	56,318	14,658
Unemployment compensation:								
Number of returns.....	38,162	18,679	12,103	5,526	1,473	277	98	6
Amount.....	75,388	35,497	24,950	11,121	2,951	596	260	11
Total itemized deductions:								
Number of returns.....	148,484	11,742	27,909	47,080	37,203	13,216	8,997	2,337
Amount.....	1,864,036	111,514	293,741	456,383	452,488	215,062	205,098	129,770
Taxable income:								
Number of returns.....	496,800	146,820	183,002	109,161	51,072	14,778	9,513	2,454
Amount.....	10,092,013	472,607	1,847,709	2,791,174	2,205,646	944,493	973,080	857,304
Total tax liability:								
Number of returns.....	512,688	163,000	162,915	109,017	51,023	14,770	9,508	2,455
Amount.....	1,994,035	91,357	297,360	468,166	422,333	212,985	250,437	251,396
Average (whole dollars).....	3,889	560	1,825	4,294	8,277	14,420	26,340	102,402
Earned income credit:								
Number of returns.....	123,702	91,156	32,546	--	--	--	--	--
Amount.....	-101,637	-87,208	-14,429	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	98,758	87,546	11,212	--	--	--	--	--
Amount.....	-78,353	-74,058	-4,295	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NEW YORK</b>								
Number of returns.....	8,118,741	2,988,876	2,090,753	1,540,459	862,492	313,555	234,276	88,330
Number of exemptions.....	17,017,677	4,357,520	4,444,373	3,786,684	2,503,432	948,263	707,806	269,599
Adjusted gross income (less deficit).....	279,886,993	16,485,219	45,843,675	59,970,689	52,096,321	26,805,394	30,834,110	47,651,585
Salaries and wages:								
Number of returns.....	6,725,227	2,148,744	1,796,693	1,403,595	802,516	291,277	209,534	72,868
Amount.....	210,786,784	14,655,215	36,634,366	50,081,002	43,803,938	21,996,989	22,139,357	21,475,916
Interest income:								
Number of returns.....	5,578,029	1,538,964	1,337,237	1,274,549	807,322	303,503	229,020	87,434
Amount.....	19,781,362	2,961,679	3,054,973	3,066,558	2,468,524	1,286,132	1,839,099	5,104,397
Dividends:								
Number of returns.....	1,831,801	400,118	332,973	392,651	329,281	155,831	148,746	72,201
Amount.....	7,398,072	612,968	698,035	866,961	843,536	541,040	982,426	2,853,106
Net capital gain (less loss):								
Number of returns.....	921,692	165,066	147,933	180,827	163,035	89,397	109,968	65,466
Amount.....	8,597,935	434,737	147,781	283,375	412,006	363,408	944,582	6,012,046
Taxable pensions and annuities:								
Number of returns.....	1,275,410	387,505	352,068	259,314	158,242	58,695	44,775	14,811
Amount.....	12,278,283	1,945,482	3,109,092	2,832,733	2,039,427	904,425	915,413	531,712
Unemployment compensation:								
Number of returns.....	734,201	251,562	218,569	155,960	77,594	19,742	9,347	1,427
Amount.....	2,164,516	640,065	707,791	481,213	235,214	62,490	32,326	5,416
Total itemized deductions:								
Number of returns.....	2,890,870	175,918	470,802	871,313	750,105	303,656	231,309	87,767
Amount.....	48,692,383	2,094,360	4,655,235	9,549,651	10,703,410	5,925,678	6,786,895	8,977,152
Taxable income:								
Number of returns.....	6,741,715	1,683,633	2,031,898	1,531,057	860,352	312,954	233,739	88,082
Amount.....	186,740,254	5,421,222	25,697,636	39,625,236	35,655,894	18,887,398	22,722,980	38,729,887
Total tax liability:								
Number of returns.....	6,854,766	1,798,096	2,030,906	1,530,762	860,082	312,849	233,883	88,188
Amount.....	40,338,814	1,027,271	4,068,629	6,879,138	6,845,911	4,159,433	5,817,571	11,542,860
Average (whole dollars).....	5,885	571	2,002	4,494	7,960	13,295	24,874	130,889
Earned income credit:								
Number of returns.....	823,080	546,432	276,648	--	--	--	--	--
Amount.....	-651,313	-536,611	-114,702	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	590,690	510,668	80,022	--	--	--	--	--
Amount.....	-458,147	-429,226	-28,921	--	--	--	--	--
<b>NORTH CAROLINA</b>								
Number of returns.....	3,093,762	1,345,551	814,151	539,251	258,172	73,187	48,519	14,931
Number of exemptions.....	6,637,997	2,095,448	1,847,118	1,483,355	784,129	226,877	153,200	47,870
Adjusted gross income (less deficit).....	82,314,527	9,248,884	17,419,505	20,943,435	15,477,788	6,228,566	6,365,635	6,630,715
Salaries and wages:								
Number of returns.....	2,704,543	1,119,699	727,163	497,384	239,312	66,434	42,020	12,531
Amount.....	64,598,223	8,037,629	14,369,098	17,564,958	12,806,905	4,829,631	4,155,934	2,834,068
Interest income:								
Number of returns.....	1,634,255	446,842	419,374	402,632	232,703	70,188	47,656	14,860
Amount.....	3,991,953	670,203	758,299	736,460	578,083	285,706	387,011	576,191
Dividends:								
Number of returns.....	517,195	98,658	102,078	125,801	103,123	41,300	33,884	12,351
Amount.....	1,538,790	131,038	176,406	239,687	239,433	150,942	245,945	355,340
Net capital gain (less loss):								
Number of returns.....	282,283	49,258	51,907	62,318	54,397	25,597	27,183	11,623
Amount.....	2,008,775	116,421	97,158	154,261	198,847	163,397	338,832	939,858
Taxable pensions and annuities:								
Number of returns.....	443,533	118,032	130,887	106,423	58,607	16,528	10,211	2,845
Amount.....	3,981,684	554,506	1,071,674	1,075,086	737,455	261,163	195,019	86,781
Unemployment compensation:								
Number of returns.....	302,706	116,533	104,783	65,440	13,605	1,678	617	50
Amount.....	440,408	159,750	153,603	97,325	24,089	3,868	1,640	133
Total itemized deductions:								
Number of returns.....	843,066	56,117	157,682	278,821	217,899	70,171	47,617	14,759
Amount.....	10,612,635	530,412	1,345,675	2,690,980	2,732,763	1,215,457	1,193,424	903,925
Taxable income:								
Number of returns.....	2,459,939	727,853	799,526	538,163	257,922	73,104	48,457	14,914
Amount.....	51,587,809	2,409,536	9,358,571	13,801,103	10,894,477	4,530,195	4,875,795	5,718,131
Total tax liability:								
Number of returns.....	2,503,003	775,432	796,824	536,734	257,578	73,057	48,461	14,917
Amount.....	10,191,496	439,961	1,499,887	2,283,585	2,045,528	1,002,204	1,251,039	1,669,293
Average (whole dollars).....	4,072	567	1,882	4,255	7,941	13,718	25,815	111,905
Earned income credit:								
Number of returns.....	485,076	343,883	141,193	--	--	--	--	--
Amount.....	-414,109	-348,554	-65,555	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	368,453	328,840	39,613	--	--	--	--	--
Amount.....	-304,547	-290,161	-14,386	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NORTH DAKOTA</b>								
Number of returns.....	284,488	127,802	73,930	52,529	21,147	4,637	3,375	1,068
Number of exemptions.....	642,868	184,437	190,336	165,782	71,730	15,577	11,454	3,552
Adjusted gross income (less deficit).....	6,860,109	685,936	1,603,087	2,038,735	1,250,245	394,710	446,745	440,652
Salaries and wages:								
Number of returns.....	223,667	94,931	58,282	44,987	18,251	3,680	2,654	882
Amount.....	4,721,369	604,467	1,089,837	1,496,604	891,709	228,060	226,603	186,089
Interest income:								
Number of returns.....	197,609	71,345	52,753	44,780	19,856	4,510	3,307	1,058
Amount.....	543,010	108,254	141,175	121,810	74,738	32,686	34,268	30,079
Dividends:								
Number of returns.....	55,597	14,105	13,368	13,954	8,469	2,637	2,225	839
Amount.....	104,777	14,191	19,560	20,896	17,296	8,586	12,346	11,903
Net capital gain (less loss):								
Number of returns.....	43,186	11,511	11,479	9,866	5,543	1,993	1,985	809
Amount.....	236,997	23,156	34,545	35,606	27,074	14,407	25,762	76,447
Taxable pensions and annuities:								
Number of returns.....	32,254	9,609	10,635	7,309	3,206	815	510	170
Amount.....	243,847	41,566	78,624	64,553	35,679	10,507	8,711	4,208
Unemployment compensation:								
Number of returns.....	17,917	5,528	7,060	4,371	850	79	..	..
Amount.....	32,990	8,224	13,867	8,876	1,785	162	..	..
Total itemized deductions:								
Number of returns.....	53,657	5,245	10,336	18,131	12,837	3,349	2,775	984
Amount.....	563,779	52,486	84,576	158,456	134,680	46,032	51,647	35,902
Taxable income:								
Number of returns.....	229,682	74,697	72,300	52,474	21,134	4,634	3,375	1,068
Amount.....	4,422,165	226,082	839,902	1,351,924	921,401	309,955	369,842	403,059
Total tax liability:								
Number of returns.....	236,039	83,022	72,405	52,396	21,138	4,635	3,375	1,068
Amount.....	910,974	46,759	148,012	239,031	185,503	74,709	99,493	117,467
Average (whole dollars).....	3,827	563	2,044	4,562	8,776	16,118	29,479	109,988
Earned income credit:								
Number of returns.....	26,789	17,614	9,175	--	--	--	--	--
Amount.....	-21,383	-17,358	-4,025	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	18,550	16,061	2,489	--	--	--	--	--
Amount.....	-13,594	-12,699	-895	--	--	--	--	--
<b>OHIO</b>								
Number of returns.....	5,129,096	2,050,768	1,393,931	1,029,227	443,360	108,420	75,911	27,479
Number of exemptions.....	10,658,922	2,876,923	2,968,098	2,743,875	1,386,524	347,622	246,898	88,982
Adjusted gross income (less deficit).....	142,204,387	13,430,258	30,389,574	40,018,523	26,364,693	9,225,399	10,007,998	12,767,941
Salaries and wages:								
Number of returns.....	4,337,814	1,578,663	1,204,404	952,611	413,859	98,388	66,170	23,719
Amount.....	110,539,648	10,242,767	24,200,023	34,052,400	22,195,224	7,125,592	6,652,760	6,070,882
Interest income:								
Number of returns.....	3,184,071	937,351	836,481	805,850	399,644	103,493	74,015	27,237
Amount.....	7,719,942	1,468,780	1,722,890	1,553,456	1,010,660	439,821	547,940	976,394
Dividends:								
Number of returns.....	1,074,390	232,551	233,734	279,390	185,399	64,523	54,981	23,812
Amount.....	3,054,174	282,373	395,201	488,605	429,010	251,785	411,419	795,781
Net capital gain (less loss):								
Number of returns.....	478,018	87,634	95,187	113,652	84,147	36,461	40,198	20,739
Amount.....	2,862,555	198,778	134,746	238,525	287,251	205,281	407,468	1,390,504
Taxable pensions and annuities:								
Number of returns.....	864,838	306,727	267,199	170,344	79,842	21,491	14,560	4,675
Amount.....	7,383,546	1,614,133	2,364,423	1,724,446	940,863	328,463	276,887	134,331
Unemployment compensation:								
Number of returns.....	422,882	124,576	135,783	118,958	37,959	4,227	1,207	172
Amount.....	957,856	262,392	345,225	263,013	74,248	9,101	3,311	565
Total itemized deductions:								
Number of returns.....	1,400,233	71,234	284,682	504,659	339,572	99,582	73,435	27,069
Amount.....	16,214,912	761,320	1,932,845	4,350,151	3,940,535	1,617,477	1,828,589	1,783,996
Taxable income:								
Number of returns.....	4,259,701	1,201,533	1,375,822	1,027,641	443,077	108,334	75,839	27,455
Amount.....	93,634,384	3,990,122	17,759,275	27,315,639	18,965,631	6,844,499	7,784,257	10,974,961
Total tax liability:								
Number of returns.....	4,307,056	1,251,749	1,375,078	1,026,057	442,626	108,233	75,850	27,463
Amount.....	18,691,688	707,857	2,854,622	4,702,715	3,627,014	1,538,986	2,021,730	3,238,764
Average (whole dollars).....	4,340	565	2,076	4,583	8,194	14,219	26,654	117,932
Earned income credit:								
Number of returns.....	471,143	315,020	156,123	--	--	--	--	--
Amount.....	-368,238	-302,140	-66,098	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	336,748	298,313	38,435	--	--	--	--	--
Amount.....	-259,863	-246,142	-13,721	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>OKLAHOMA</b>								
Number of returns.....	1,346,570	600,209	348,977	236,914	107,434	28,299	18,281	6,456
Number of exemptions.....	3,080,880	1,010,006	879,004	689,263	335,809	88,629	57,810	20,359
Adjusted gross income (less deficit).....	34,025,092	3,194,050	7,548,518	9,184,771	6,420,213	2,406,466	2,399,775	2,871,299
Salaries and wages:								
Number of returns.....	1,101,100	456,911	292,625	210,538	96,406	24,595	14,838	5,187
Amount.....	25,957,292	3,138,390	5,884,830	7,444,275	5,123,527	1,747,144	1,418,828	1,200,297
Interest income:								
Number of returns.....	706,890	210,534	182,098	170,168	93,605	26,467	17,664	6,354
Amount.....	2,135,719	384,210	434,103	402,757	291,080	139,302	184,982	299,284
Dividends:								
Number of returns.....	208,721	42,671	43,881	52,058	38,675	14,635	11,819	4,982
Amount.....	561,739	57,052	68,495	84,608	78,967	50,425	75,447	146,745
Net capital gain (less loss):								
Number of returns.....	131,519	29,197	27,611	29,233	21,477	9,471	9,731	4,799
Amount.....	673,705	87,526	40,729	54,209	63,225	45,924	90,504	291,587
Taxable pensions and annuities:								
Number of returns.....	212,774	61,292	65,364	49,098	25,064	6,824	3,994	1,138
Amount.....	2,180,756	349,191	656,195	590,160	360,391	113,947	80,642	30,229
Unemployment compensation:								
Number of returns.....	70,898	26,411	23,576	15,130	4,762	801	201	17
Amount.....	135,157	51,077	46,239	27,477	8,407	1,474	445	37
Total itemized deductions:								
Number of returns.....	347,887	27,271	67,830	117,187	85,698	26,128	17,486	6,287
Amount.....	4,092,505	278,065	600,657	1,059,613	984,529	405,870	392,091	371,679
Taxable income:								
Number of returns.....	1,028,049	290,179	341,082	236,504	107,318	28,270	18,252	6,444
Amount.....	21,738,748	921,285	3,909,442	6,079,235	4,626,553	1,809,214	1,896,211	2,496,808
Total tax liability:								
Number of returns.....	1,063,952	327,005	340,895	235,917	107,185	28,247	18,254	6,449
Amount.....	4,382,374	188,970	641,812	1,019,222	883,541	409,462	497,252	742,115
Average (whole dollars).....	4,119	578	1,883	4,320	8,243	14,496	27,241	115,074
Earned income credit:								
Number of returns.....	197,384	138,633	58,751	--	--	--	--	--
Amount.....	-160,834	-135,410	-25,424	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	148,225	130,546	17,679	--	--	--	--	--
Amount.....	-117,322	-110,727	-6,595	--	--	--	--	--
<b>OREGON</b>								
Number of returns.....	1,338,580	551,048	345,327	256,776	121,532	32,930	23,624	7,343
Number of exemptions.....	2,972,536	863,491	805,510	727,205	375,434	102,592	75,286	23,018
Adjusted gross income (less deficit).....	37,305,312	3,277,100	7,520,873	9,978,115	7,277,576	2,802,882	3,116,630	3,332,135
Salaries and wages:								
Number of returns.....	1,078,296	404,496	284,367	227,364	108,649	28,372	19,210	5,838
Amount.....	26,819,504	2,702,170	5,620,973	7,934,347	5,675,330	1,943,553	1,763,850	1,179,281
Interest income:								
Number of returns.....	838,697	249,715	210,190	204,759	111,851	31,758	23,154	7,270
Amount.....	2,371,912	450,405	487,520	452,563	328,544	155,628	208,962	288,290
Dividends:								
Number of returns.....	277,783	66,151	59,504	65,606	47,168	17,752	15,647	5,955
Amount.....	856,731	95,982	118,878	133,797	114,857	62,955	100,844	229,619
Net capital gain (less loss):								
Number of returns.....	200,785	43,508	42,722	45,929	34,167	14,224	14,412	5,823
Amount.....	1,472,586	82,691	92,444	155,241	190,558	134,398	265,351	551,902
Taxable pensions and annuities:								
Number of returns.....	218,675	73,082	66,145	45,025	22,555	6,433	4,217	1,218
Amount.....	2,110,125	373,186	622,188	546,556	335,602	113,012	83,174	36,407
Unemployment compensation:								
Number of returns.....	148,649	49,744	50,911	34,169	9,691	1,436	619	79
Amount.....	331,480	100,212	125,148	77,770	22,497	3,818	1,764	271
Total itemized deductions:								
Number of returns.....	468,101	45,953	93,619	158,656	107,746	31,770	23,137	7,220
Amount.....	5,976,879	488,793	776,855	1,563,263	1,420,774	580,747	613,803	532,645
Taxable income:								
Number of returns.....	1,070,135	292,587	336,189	256,120	121,402	32,904	23,599	7,334
Amount.....	23,608,521	957,819	4,035,736	6,416,058	5,008,399	2,007,507	2,357,849	2,825,152
Total tax liability:								
Number of returns.....	1,094,167	316,341	336,885	255,801	121,309	32,892	23,605	7,334
Amount.....	4,801,272	184,354	666,066	1,092,106	954,883	455,422	615,493	832,947
Average (whole dollars).....	4,388	583	1,977	4,269	7,871	13,846	26,075	113,573
Earned income credit:								
Number of returns.....	134,310	90,106	44,204	--	--	--	--	--
Amount.....	-106,933	-88,327	-18,606	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	96,831	83,891	12,940	--	--	--	--	--
Amount.....	-75,946	-71,073	-4,873	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>PENNSYLVANIA</b>								
Number of returns.....	5,501,865	2,181,641	1,421,598	1,080,621	527,654	150,756	103,738	35,857
Number of exemptions.....	11,736,201	3,145,032	3,103,265	2,941,536	1,619,446	475,678	334,603	116,641
Adjusted gross income (less deficit).....	161,105,129	13,520,312	30,941,066	42,052,720	31,632,358	12,833,463	13,640,100	16,485,110
Salaries and wages:								
Number of returns.....	4,507,493	1,569,755	1,201,643	988,644	489,905	137,449	89,935	30,162
Amount.....	122,631,282	10,012,905	23,791,655	35,133,408	26,533,588	10,146,694	9,157,073	7,855,960
Interest income:								
Number of returns.....	3,758,452	1,150,347	937,067	897,173	491,460	145,337	101,479	35,589
Amount.....	9,707,885	1,956,900	2,066,241	1,829,168	1,266,605	576,080	747,893	1,264,997
Dividends:								
Number of returns.....	1,277,261	308,219	262,734	294,463	220,773	86,907	73,853	30,312
Amount.....	4,178,853	429,471	540,904	642,056	577,740	336,853	541,321	1,110,507
Net capital gain (less loss):								
Number of returns.....	539,468	107,599	100,022	114,216	92,577	44,958	53,039	27,057
Amount.....	3,614,603	191,399	148,791	253,172	320,851	247,095	541,968	1,911,328
Taxable pensions and annuities:								
Number of returns.....	1,027,597	384,570	294,044	193,398	98,408	29,625	20,883	6,669
Amount.....	8,570,406	1,926,529	2,530,090	1,895,389	1,143,655	441,840	409,253	223,650
Unemployment compensation:								
Number of returns.....	594,098	183,688	198,333	152,495	49,029	7,319	2,921	313
Amount.....	1,627,582	435,161	591,213	425,607	140,035	23,787	10,518	1,261
Total itemized deductions:								
Number of returns.....	1,445,691	78,878	228,322	478,284	392,534	135,371	97,896	34,406
Amount.....	18,566,978	1,050,030	2,002,596	4,609,919	4,763,070	2,200,772	2,237,953	1,702,638
Taxable income:								
Number of returns.....	4,554,256	1,261,473	1,397,518	1,078,041	527,161	150,624	103,621	35,818
Amount.....	107,822,390	4,075,366	17,621,636	28,321,846	22,769,631	9,567,990	10,726,420	14,739,501
Total tax liability:								
Number of returns.....	4,620,636	1,324,635	1,400,690	1,078,055	527,160	150,631	103,636	35,829
Amount.....	22,061,632	738,629	2,844,282	4,812,109	4,357,140	2,144,363	2,786,710	4,378,401
Average (whole dollars).....	4,775	558	2,031	4,464	8,265	14,236	26,889	122,203
Earned income credit:								
Number of returns.....	471,469	302,940	168,529	--	--	--	--	--
Amount.....	-363,067	-292,288	-70,779	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	325,551	283,742	41,809	--	--	--	--	--
Amount.....	-246,085	-231,299	-14,786	--	--	--	--	--
<b>RHODE ISLAND</b>								
Number of returns.....	458,409	174,898	120,623	91,047	46,758	13,452	8,688	2,943
Number of exemptions.....	943,080	235,721	246,832	240,687	141,270	41,822	27,385	9,363
Adjusted gross income (less deficit).....	13,675,770	1,017,815	2,615,104	3,548,774	2,807,220	1,142,927	1,144,785	1,399,146
Salaries and wages: <sup>1</sup>								
Number of returns.....	385,103	131,785	104,080	83,374	43,586	12,301	7,494	2,483
Amount.....	10,347,237	881,022	2,033,414	2,913,494	2,321,203	889,693	727,406	581,007
Interest income:								
Number of returns.....	313,460	89,270	79,418	76,465	43,775	13,058	8,542	2,932
Amount.....	856,257	154,824	175,188	169,250	123,296	56,351	72,670	104,677
Dividends:								
Number of returns.....	93,581	20,990	19,103	22,109	16,691	6,638	5,692	2,358
Amount.....	301,412	25,588	33,341	44,873	43,244	26,101	44,517	83,747
Net capital gain (less loss):								
Number of returns.....	44,153	8,068	7,574	9,862	8,137	3,898	4,387	2,227
Amount.....	412,647	24,272	8,372	22,223	32,121	25,132	54,250	246,276
Taxable pensions and annuities:								
Number of returns.....	75,838	22,885	22,106	16,632	9,175	2,692	1,800	548
Amount.....	713,303	110,872	191,600	185,353	126,079	49,118	35,680	14,601
Unemployment compensation:								
Number of returns.....	68,667	22,222	21,008	17,310	6,597	1,035	442	53
Amount.....	237,023	68,669	77,727	62,087	22,553	4,014	1,743	231
Total itemized deductions:								
Number of returns.....	143,779	8,978	23,646	47,968	38,895	12,842	8,532	2,918
Amount.....	2,034,049	96,951	223,886	523,183	528,045	233,600	230,622	197,762
Taxable income:								
Number of returns.....	386,175	105,942	117,870	90,645	46,694	13,426	8,663	2,935
Amount.....	9,007,110	384,906	1,499,216	2,317,503	1,943,614	820,401	862,329	1,199,140
Total tax liability:								
Number of returns.....	392,332	111,504	118,397	90,699	46,695	13,432	8,667	2,938
Amount.....	1,820,918	65,468	241,331	394,573	365,551	180,792	222,985	350,216
Average (whole dollars).....	4,641	587	2,038	4,350	7,828	13,460	25,728	119,202
Earned income credit:								
Number of returns.....	35,251	22,789	12,462	--	--	--	--	--
Amount.....	-27,256	-21,899	-5,357	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	24,593	21,281	3,312	--	--	--	--	--
Amount.....	-18,419	-17,234	-1,185	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>SOUTH CAROLINA</b>								
Number of returns.....	1,567,377	701,580	414,555	264,060	126,581	33,724	20,406	6,471
Number of exemptions.....	3,428,076	1,122,146	966,862	750,064	395,157	107,204	65,649	20,994
Adjusted gross income (less deficit).....	39,604,857	4,659,650	8,855,875	10,269,669	7,578,959	2,865,230	2,672,379	2,703,096
Salaries and wages:								
Number of returns.....	1,381,570	596,271	371,811	243,183	117,299	30,500	17,257	5,249
Amount.....	31,460,452	4,197,116	7,397,659	8,611,892	6,255,184	2,196,049	1,637,702	1,164,849
Interest income:								
Number of returns.....	751,270	197,797	195,200	188,193	111,740	32,005	19,920	6,415
Amount.....	1,780,109	300,578	348,312	341,275	267,140	129,941	170,932	221,930
Dividends:								
Number of returns.....	227,505	42,593	44,490	56,587	46,888	18,133	13,620	5,194
Amount.....	672,745	57,595	77,484	105,875	106,372	65,459	106,485	153,475
Net capital gain (less loss):								
Number of returns.....	127,731	22,125	23,400	29,081	25,167	11,521	11,376	5,061
Amount.....	879,384	53,357	40,470	70,617	92,344	74,918	160,479	387,199
Taxable pensions and annuities:								
Number of returns.....	225,930	57,750	65,919	55,744	31,771	8,601	4,880	1,265
Amount.....	2,253,851	289,370	593,859	624,326	438,753	151,674	115,012	40,856
Unemployment compensation:								
Number of returns.....	140,696	62,127	44,719	25,943	6,827	809	247	24
Amount.....	215,995	95,931	66,900	39,491	11,377	1,660	581	56
Total itemized deductions:								
Number of returns.....	410,506	24,819	80,513	139,307	107,321	32,219	19,957	6,370
Amount.....	5,102,868	272,649	709,973	1,345,861	1,342,326	555,944	499,328	376,787
Taxable income:								
Number of returns.....	1,210,745	353,834	406,451	263,499	126,432	33,687	20,381	6,461
Amount.....	24,339,329	1,177,212	4,698,499	6,707,090	5,310,079	2,081,600	2,045,516	2,319,333
Total tax liability:								
Number of returns.....	1,230,756	375,800	405,278	262,935	126,256	33,645	20,377	6,465
Amount.....	4,703,324	211,712	745,463	1,104,227	987,207	458,579	526,664	669,472
Average (whole dollars).....	3,821	563	1,839	4,200	7,819	13,630	25,846	103,553
Earned income credit:								
Number of returns.....	283,625	205,903	77,722	--	--	--	--	--
Amount.....	-247,815	-211,458	-36,357	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	222,430	198,842	23,588	--	--	--	--	--
Amount.....	-190,376	-181,542	-8,834	--	--	--	--	--
<b>SOUTH DAKOTA</b>								
Number of returns.....	318,585	149,268	84,354	55,847	19,802	4,474	3,559	1,281
Number of exemptions.....	718,867	224,979	218,518	177,867	66,346	14,922	11,982	4,253
Adjusted gross income (less deficit).....	7,468,723	804,037	1,820,796	2,152,207	1,171,571	380,603	472,145	667,384
Salaries and wages:								
Number of returns.....	254,964	112,757	69,329	48,618	16,983	3,566	2,688	1,023
Amount.....	5,093,894	718,211	1,313,535	1,613,271	815,410	207,441	213,131	212,895
Interest income:								
Number of returns.....	207,171	78,138	55,846	45,787	18,326	4,311	3,491	1,272
Amount.....	593,014	126,107	146,662	123,889	75,185	31,341	40,849	48,983
Dividends:								
Number of returns.....	63,623	17,536	15,930	15,662	8,602	2,552	2,318	1,023
Amount.....	140,600	20,146	24,079	24,997	19,262	9,175	13,759	29,183
Net capital gain (less loss):								
Number of returns.....	54,887	15,840	14,814	12,228	6,496	2,205	2,284	1,020
Amount.....	338,680	38,427	49,334	57,712	43,395	21,484	35,951	92,377
Taxable pensions and annuities:								
Number of returns.....	39,393	13,076	12,702	8,697	3,371	764	587	196
Amount.....	301,340	54,598	97,320	83,607	40,280	11,507	9,588	4,441
Unemployment compensation:								
Number of returns.....	10,503	4,046	3,923	2,116	355	43	16	4
Amount.....	15,022	5,477	5,831	3,021	555	89	39	10
Total itemized deductions:								
Number of returns.....	45,019	4,535	9,338	15,084	10,138	2,724	2,343	857
Amount.....	470,159	46,076	78,879	132,221	105,487	35,909	41,122	30,466
Taxable income:								
Number of returns.....	249,656	82,562	82,204	55,783	19,796	4,474	3,558	1,279
Amount.....	4,844,498	248,560	949,729	1,430,278	875,643	304,881	401,692	633,716
Total tax liability:								
Number of returns.....	259,272	92,042	82,403	55,728	19,792	4,471	3,557	1,279
Amount.....	1,016,020	50,626	165,000	249,379	178,022	74,670	109,585	188,738
Average (whole dollars).....	3,919	550	2,002	4,475	8,995	16,701	30,808	147,567
Earned income credit:								
Number of returns.....	36,059	23,937	12,122	--	--	--	--	--
Amount.....	-29,174	-23,788	-5,386	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	25,706	22,152	3,554	--	--	--	--	--
Amount.....	-19,349	-18,007	-1,342	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>TENNESSEE</b>								
Number of returns.....	2,207,814	981,276	574,536	383,286	176,023	47,685	32,838	12,170
Number of exemptions.....	4,829,397	1,584,020	1,344,598	1,066,865	540,385	149,083	105,395	39,051
Adjusted gross income (less deficit).....	57,975,796	6,134,841	12,371,291	14,859,352	10,529,170	4,055,810	4,336,679	5,686,652
Salaries and wages:								
Number of returns.....	1,901,224	790,569	510,809	354,923	163,663	43,195	27,944	10,121
Amount.....	46,091,675	5,457,668	10,264,117	12,729,932	8,881,920	3,158,062	2,788,777	2,811,199
Interest income:								
Number of returns.....	1,129,489	324,964	287,037	274,779	153,832	44,962	31,898	12,017
Amount.....	3,120,079	574,044	621,646	572,985	422,022	203,426	268,616	457,341
Dividends:								
Number of returns.....	302,779	61,091	58,839	72,234	57,640	23,024	20,463	9,488
Amount.....	836,001	74,760	91,166	115,224	113,846	70,192	127,044	243,770
Net capital gain (less loss):								
Number of returns.....	177,920	33,854	33,579	38,268	31,137	14,701	17,112	9,269
Amount.....	1,565,392	152,444	62,240	105,427	117,033	84,565	204,607	839,077
Taxable pensions and annuities:								
Number of returns.....	303,519	96,081	89,171	65,511	34,497	9,917	6,245	2,097
Amount.....	2,617,719	478,645	745,691	653,672	420,593	151,095	115,505	52,519
Unemployment compensation:								
Number of returns.....	228,341	97,248	74,665	43,880	10,405	1,508	565	70
Amount.....	339,368	139,032	112,778	65,966	17,304	2,861	1,244	182
Total itemized deductions:								
Number of returns.....	415,088	28,596	75,289	128,869	107,630	37,166	27,463	10,075
Amount.....	4,837,826	290,196	623,269	1,181,840	1,208,436	535,268	547,890	450,926
Taxable income:								
Number of returns.....	1,713,967	497,339	565,481	382,661	175,884	47,649	32,795	12,158
Amount.....	38,134,323	1,608,547	6,667,081	10,107,942	7,828,057	3,153,798	3,556,053	5,212,845
Total tax liability:								
Number of returns.....	1,759,927	544,773	564,828	382,093	175,693	47,600	32,794	12,146
Amount.....	7,784,122	311,513	1,075,764	1,689,553	1,511,920	718,749	940,284	1,536,338
Average (whole dollars).....	4,423	572	1,905	4,422	8,605	15,100	28,672	126,489
Earned income credit:								
Number of returns.....	354,953	253,072	101,881	--	--	--	--	--
Amount.....	-297,536	-251,071	-46,465	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	270,919	241,756	29,163	--	--	--	--	--
Amount.....	-217,600	-206,953	-10,647	--	--	--	--	--
<b>TEXAS</b>								
Number of returns.....	7,607,294	3,405,623	1,824,629	1,258,390	683,282	224,391	157,402	53,577
Number of exemptions.....	17,531,387	5,952,716	4,528,547	3,546,926	2,129,368	705,419	497,515	171,896
Adjusted gross income (less deficit).....	211,908,998	16,671,105	39,402,836	48,967,606	41,208,857	19,130,244	20,640,876	25,887,474
Salaries and wages:								
Number of returns.....	6,472,869	2,726,912	1,595,937	1,140,840	627,386	203,474	135,892	42,428
Amount.....	167,613,520	18,896,350	32,358,319	40,984,909	34,385,401	15,237,384	14,169,666	11,581,490
Interest income:								
Number of returns.....	3,745,623	1,020,125	857,746	871,680	582,893	208,736	151,600	52,843
Amount.....	12,421,070	1,996,667	1,918,698	1,985,011	1,659,409	903,065	1,284,178	2,674,042
Dividends:								
Number of returns.....	1,136,006	206,572	195,103	256,249	230,364	108,975	97,793	40,930
Amount.....	3,964,717	322,136	349,685	473,990	490,373	333,758	574,670	1,420,105
Net capital gain (less loss):								
Number of returns.....	722,917	128,137	119,687	148,885	134,550	70,602	80,704	40,352
Amount.....	5,858,259	685,488	141,709	251,418	345,581	290,544	724,400	3,419,119
Taxable pensions and annuities:								
Number of returns.....	988,089	253,707	272,528	229,574	144,546	47,846	31,141	8,747
Amount.....	9,902,575	1,350,393	2,470,308	2,514,594	1,690,776	754,893	628,682	292,829
Unemployment compensation:								
Number of returns.....	412,792	171,783	126,380	74,436	30,194	6,775	2,973	251
Amount.....	917,596	331,408	305,470	178,525	75,609	17,695	8,079	810
Total itemized deductions:								
Number of returns.....	1,476,371	98,555	217,475	407,810	406,605	172,322	130,470	43,134
Amount.....	19,734,573	1,532,853	2,079,203	3,954,174	4,698,217	2,549,611	2,679,248	2,241,268
Taxable income:								
Number of returns.....	5,709,979	1,564,389	1,772,399	1,255,698	682,595	224,181	157,229	53,488
Amount.....	145,073,267	4,971,494	20,873,850	33,374,286	30,601,916	14,838,311	16,849,288	23,564,123
Total tax liability:								
Number of returns.....	5,871,695	1,733,174	1,769,899	1,252,644	681,371	223,677	157,208	53,522
Amount.....	30,738,518	997,266	3,383,152	5,695,256	5,954,238	3,350,855	4,387,423	6,970,327
Average (whole dollars).....	5,235	575	1,911	4,547	8,739	14,967	27,908	130,233
Earned income credit:								
Number of returns.....	1,331,896	983,350	348,546	--	--	--	--	--
Amount.....	-1,134,932	-979,394	-155,538	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	1,057,852	937,986	119,866	--	--	--	--	--
Amount.....	-875,751	-829,178	-46,573	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>UTAH</b>								
Number of returns.....	710,687	297,682	172,241	144,075	66,759	15,919	10,499	3,512
Number of exemptions.....	1,791,039	413,966	476,710	521,846	259,733	61,697	42,509	14,578
Adjusted gross income (less deficit).....	19,447,135	1,607,628	3,776,453	5,604,530	3,979,768	1,350,123	1,385,808	1,742,826
Salaries and wages:								
Number of returns.....	608,684	238,776	147,794	133,082	62,419	14,492	9,158	2,963
Amount.....	15,257,925	1,533,599	2,996,952	4,763,281	3,338,153	1,024,366	896,072	705,503
Interest income:								
Number of returns.....	430,936	128,237	103,332	111,056	59,545	15,109	10,181	3,476
Amount.....	851,380	158,955	168,403	158,303	117,753	56,335	74,052	117,579
Dividends:								
Number of returns.....	116,401	25,083	23,986	29,552	21,886	7,423	6,146	2,525
Amount.....	311,294	33,550	39,688	47,059	42,881	24,399	37,834	65,882
Net capital gain (less loss):								
Number of returns.....	78,307	15,916	15,894	18,603	14,116	5,634	5,576	2,568
Amount.....	483,766	28,736	25,803	39,598	48,150	35,939	73,930	231,610
Taxable pensions and annuities:								
Number of returns.....	105,548	28,485	32,708	25,422	13,205	3,331	1,875	522
Amount.....	1,150,161	168,807	353,276	323,151	192,610	59,285	40,177	12,856
Unemployment compensation:								
Number of returns.....	39,545	12,750	13,625	9,771	2,867	382	137	13
Amount.....	72,901	21,294	26,991	18,170	5,246	828	336	36
Total itemized deductions:								
Number of returns.....	242,539	14,801	46,372	83,818	58,698	15,165	10,258	3,427
Amount.....	3,031,520	129,423	390,875	950,284	778,860	276,718	270,069	235,291
Taxable income:								
Number of returns.....	566,582	161,946	164,539	143,508	66,697	15,897	10,486	3,509
Amount.....	11,719,259	483,883	1,849,742	3,299,227	2,612,131	940,953	1,031,088	1,502,236
Total tax liability:								
Number of returns.....	577,359	171,076	166,278	143,465	66,648	15,898	10,486	3,508
Amount.....	2,340,473	89,067	300,318	544,065	477,167	206,622	263,211	460,024
Average (whole dollars).....	4,054	521	1,806	3,792	7,160	12,997	25,101	131,136
Earned income credit:								
Number of returns.....	75,266	48,400	26,868	--	--	--	--	--
Amount.....	-61,038	-49,251	-11,787	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	54,782	45,228	9,554	--	--	--	--	--
Amount.....	-43,658	-39,931	-3,727	--	--	--	--	--
<b>VERMONT</b>								
Number of returns.....	265,914	109,662	69,903	50,579	23,781	6,636	4,244	1,109
Number of exemptions.....	559,152	153,143	152,455	141,157	74,216	21,187	13,533	3,461
Adjusted gross income (less deficit).....	7,094,899	611,318	1,516,732	1,962,292	1,421,862	564,439	555,763	462,493
Salaries and wages:								
Number of returns.....	221,652	82,319	60,661	46,358	21,975	5,911	3,568	860
Amount.....	5,362,119	529,868	1,180,590	1,607,950	1,154,826	414,578	327,102	147,206
Interest income:								
Number of returns.....	183,779	58,342	47,705	43,186	22,744	6,505	4,191	1,106
Amount.....	465,461	92,150	98,945	91,468	65,741	33,168	40,776	43,213
Dividends:								
Number of returns.....	60,644	15,398	12,789	14,058	10,244	4,116	3,107	932
Amount.....	218,109	23,239	28,346	35,195	32,064	21,998	34,025	43,242
Net capital gain (less loss):								
Number of returns.....	33,727	7,886	6,978	7,328	5,485	2,649	2,511	890
Amount.....	233,488	18,302	18,051	25,080	28,148	21,637	42,997	79,274
Taxable pensions and annuities:								
Number of returns.....	36,114	11,898	10,579	7,734	3,737	1,072	855	239
Amount.....	304,820	54,398	84,884	77,368	46,858	17,166	17,647	6,499
Unemployment compensation:								
Number of returns.....	30,026	12,327	10,000	6,028	1,403	172	86	10
Amount.....	69,815	28,789	23,786	13,306	3,205	442	245	41
Total itemized deductions:								
Number of returns.....	77,520	6,164	14,368	25,894	19,510	6,335	4,167	1,082
Amount.....	974,416	61,605	124,103	254,629	243,461	109,185	105,795	75,837
Taxable income:								
Number of returns.....	217,549	62,995	68,445	50,404	23,737	6,622	4,237	1,109
Amount.....	4,561,555	211,871	842,990	1,286,181	1,000,628	410,324	424,053	385,509
Total tax liability:								
Number of returns.....	224,506	69,607	68,771	50,419	23,738	6,623	4,239	1,109
Amount.....	902,685	41,811	140,395	218,174	189,811	91,646	108,800	112,048
Average (whole dollars).....	4,021	601	2,041	4,327	7,996	13,838	25,666	101,035
Earned income credit:								
Number of returns.....	23,766	15,234	8,532	--	--	--	--	--
Amount.....	-17,878	-14,301	-3,577	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	15,846	13,816	2,030	--	--	--	--	--
Amount.....	-10,883	-10,171	-712	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991--Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>VIRGINIA</b>								
Number of returns.....	2,907,900	1,070,890	723,951	559,626	326,251	122,461	85,880	18,841
Number of exemptions.....	6,176,208	1,510,123	1,559,325	1,440,387	962,147	376,108	287,547	60,571
Adjusted gross income (less deficit).....	93,151,332	6,305,637	15,781,674	21,833,315	19,751,460	10,476,780	11,049,755	7,952,710
Salaries and wages:								
Number of returns.....	2,528,345	873,624	639,104	509,994	299,821	112,811	77,444	15,547
Amount.....	74,094,085	6,180,487	13,054,853	18,313,028	16,382,569	8,470,935	8,017,521	3,674,693
Interest income:								
Number of returns.....	1,721,698	409,751	384,825	418,415	290,158	116,367	83,531	18,651
Amount.....	4,731,016	682,528	744,140	843,718	751,522	422,758	554,258	732,092
Dividends:								
Number of returns.....	624,229	105,096	100,094	144,146	135,427	67,160	56,939	15,367
Amount.....	1,958,109	132,227	169,409	261,334	300,510	212,403	339,892	542,334
Net capital gain (less loss):								
Number of returns.....	306,714	44,093	43,818	62,700	63,092	36,795	41,863	14,353
Amount.....	2,377,882	279,482	71,584	131,202	193,679	176,244	436,200	1,089,491
Taxable pensions and annuities:								
Number of returns.....	455,647	101,751	116,465	106,606	74,363	30,060	22,545	3,857
Amount.....	5,918,897	553,135	1,139,168	1,429,016	1,348,966	684,560	618,049	148,004
Unemployment compensation:								
Number of returns.....	186,810	67,570	63,195	40,044	12,135	2,606	1,180	80
Amount.....	299,062	103,524	100,822	62,898	22,736	5,947	2,909	227
Total itemized deductions:								
Number of returns.....	972,006	49,191	146,512	292,453	266,368	115,060	83,877	18,545
Amount.....	14,574,858	597,480	1,345,927	3,280,686	3,801,998	2,169,314	2,194,662	1,184,792
Taxable income:								
Number of returns.....	2,438,597	620,958	707,466	557,474	325,777	122,340	85,783	18,799
Amount.....	61,571,079	2,066,119	8,782,207	14,393,844	13,708,031	7,494,285	8,324,520	6,802,073
Total tax liability:								
Number of returns.....	2,471,654	652,594	708,521	557,748	325,817	122,352	85,808	18,814
Amount.....	12,516,503	370,322	1,399,741	2,446,678	2,595,604	1,632,379	2,087,588	1,984,191
Average (whole dollars).....	5,064	567	1,976	4,387	7,966	13,342	24,329	105,464
Earned income credit:								
Number of returns.....	307,087	212,097	94,990	--	--	--	--	--
Amount.....	-255,650	-213,704	-41,946	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	229,456	201,920	27,536	--	--	--	--	--
Amount.....	-187,602	-177,609	-9,993	--	--	--	--	--
<b>WASHINGTON</b>								
Number of returns.....	2,377,807	866,232	596,692	495,800	271,341	79,479	51,918	16,345
Number of exemptions.....	5,137,105	1,225,269	1,285,324	1,338,220	830,177	244,753	162,456	50,906
Adjusted gross income (less deficit).....	75,254,680	5,002,459	13,052,240	19,378,898	16,316,576	6,756,334	6,806,267	7,939,907
Salaries and wages:								
Number of returns.....	1,979,668	662,842	498,335	443,695	247,460	71,005	43,369	12,962
Amount.....	55,963,849	4,487,037	10,063,335	15,827,330	13,281,065	5,089,117	4,171,146	3,034,820
Interest income:								
Number of returns.....	1,537,520	392,778	363,087	391,197	246,973	76,481	50,806	16,198
Amount.....	4,338,116	634,611	792,568	818,265	664,527	333,946	439,918	654,281
Dividends:								
Number of returns.....	511,093	99,234	99,590	122,897	100,415	41,718	34,302	12,937
Amount.....	1,565,381	144,668	192,964	240,853	222,380	130,108	203,018	431,389
Net capital gain (less loss):								
Number of returns.....	335,586	56,465	63,109	76,866	64,941	30,376	30,765	13,064
Amount.....	3,304,637	126,617	125,341	237,281	332,801	262,924	526,115	1,693,559
Taxable pensions and annuities:								
Number of returns.....	375,585	98,236	109,052	86,667	52,869	16,160	9,947	2,654
Amount.....	4,028,758	554,086	1,091,084	1,067,266	745,818	276,904	208,293	83,309
Unemployment compensation:								
Number of returns.....	223,054	70,288	71,871	55,019	21,044	3,481	1,233	118
Amount.....	512,764	142,655	180,201	127,955	48,952	8,965	3,583	453
Total itemized deductions:								
Number of returns.....	671,450	43,725	104,648	215,682	185,836	64,395	43,862	13,302
Amount.....	8,502,355	618,729	939,184	2,126,408	2,257,073	1,008,695	958,136	594,130
Taxable income:								
Number of returns.....	1,990,431	493,499	583,773	494,498	271,088	79,407	51,850	16,316
Amount.....	52,089,258	1,683,213	7,463,335	13,097,678	11,869,350	5,160,561	5,500,469	7,314,652
Total tax liability:								
Number of returns.....	2,016,542	519,491	584,700	493,872	270,925	79,383	51,845	16,326
Amount.....	10,897,635	310,770	1,213,945	2,260,347	2,298,250	1,164,767	1,433,453	2,216,101
Average (whole dollars).....	5,404	598	2,076	4,577	8,483	14,673	27,649	135,741
Earned income credit:								
Number of returns.....	194,123	130,250	63,873	--	--	--	--	--
Amount.....	-149,701	-123,179	-26,522	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	139,492	122,251	17,241	--	--	--	--	--
Amount.....	-106,284	-100,040	-6,244	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>WEST VIRGINIA</b>								
Number of returns.....	699,738	313,837	176,261	129,538	57,874	12,076	7,511	2,641
Number of exemptions.....	1,602,772	530,927	442,249	376,058	182,289	38,035	24,278	8,936
Adjusted gross income (less deficit).....	17,540,137	2,157,872	3,811,831	5,043,112	3,436,160	1,021,319	989,451	1,080,392
Salaries and wages:								
Number of returns.....	577,064	235,818	148,854	119,549	53,960	10,749	6,045	2,089
Amount.....	13,401,581	1,532,661	2,922,046	4,279,832	2,910,561	759,492	539,573	457,416
Interest income:								
Number of returns.....	404,572	130,059	103,460	98,340	51,375	11,433	7,294	2,611
Amount.....	988,410	224,449	238,725	190,879	129,852	52,630	66,090	85,986
Dividends:								
Number of returns.....	118,529	27,143	25,482	30,074	21,694	6,697	5,249	2,190
Amount.....	333,973	33,462	46,723	58,310	50,596	28,941	49,590	66,351
Net capital gain (less loss):								
Number of returns.....	52,011	11,095	10,909	11,852	8,766	3,571	3,902	1,916
Amount.....	249,480	14,039	19,120	27,939	30,915	22,993	48,256	86,219
Taxable pensions and annuities:								
Number of returns.....	132,896	52,580	38,996	24,214	11,974	2,932	1,676	524
Amount.....	1,107,852	290,955	358,279	243,501	133,193	40,634	30,026	11,264
Unemployment compensation:								
Number of returns.....	73,851	26,794	25,921	16,638	4,012	385	92	9
Amount.....	174,107	52,929	68,808	41,444	9,573	1,041	275	36
Total itemized deductions:								
Number of returns.....	101,985	5,040	14,306	32,422	31,201	9,604	6,864	2,548
Amount.....	1,155,863	48,802	117,603	289,123	320,757	129,877	132,723	116,978
Taxable income:								
Number of returns.....	544,133	160,856	173,809	129,406	57,850	12,068	7,506	2,638
Amount.....	11,120,391	497,514	2,014,115	3,454,007	2,587,387	799,624	807,380	960,364
Total tax liability:								
Number of returns.....	558,448	175,554	173,656	129,224	57,806	12,060	7,509	2,639
Amount.....	2,165,505	94,687	323,920	567,099	493,823	182,536	216,528	286,912
Average (whole dollars).....	3,878	539	1,865	4,388	8,543	15,136	28,836	108,720
Earned income credit:								
Number of returns.....	97,059	67,533	29,526	--	--	--	--	--
Amount.....	-77,822	-65,003	-12,819	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	72,747	64,269	8,478	--	--	--	--	--
Amount.....	-56,971	-53,887	-3,084	--	--	--	--	--
<b>WISCONSIN</b>								
Number of returns.....	2,287,060	918,487	564,018	473,451	228,920	55,023	34,886	12,275
Number of exemptions.....	4,910,783	1,237,417	1,236,039	1,367,428	735,197	178,716	115,708	40,278
Adjusted gross income (less deficit).....	64,917,207	5,590,716	12,295,938	18,510,880	13,652,717	4,670,432	4,586,247	5,610,277
Salaries and wages:								
Number of returns.....	1,939,132	705,943	484,708	440,439	215,831	50,646	30,833	10,732
Amount.....	50,379,046	4,467,230	9,532,681	15,670,186	11,565,657	3,635,857	3,049,229	2,458,207
Interest income:								
Number of returns.....	1,654,380	525,718	399,369	411,515	217,565	53,608	34,389	12,216
Amount.....	3,802,788	778,610	828,181	725,186	502,062	221,233	272,144	475,373
Dividends:								
Number of returns.....	531,558	127,877	112,285	130,608	94,177	31,652	24,648	10,311
Amount.....	1,384,534	149,126	196,369	221,927	199,306	112,999	172,924	331,883
Net capital gain (less loss):								
Number of returns.....	294,525	66,835	64,531	66,676	47,959	19,517	19,534	9,473
Amount.....	1,832,302	143,150	184,155	227,886	219,750	139,574	256,981	660,805
Taxable pensions and annuities:								
Number of returns.....	353,440	123,526	105,196	71,760	34,994	9,197	6,424	2,343
Amount.....	2,761,069	570,393	855,803	670,230	376,421	127,991	103,096	57,135
Unemployment compensation:								
Number of returns.....	260,102	65,499	87,484	78,867	25,087	2,440	636	89
Amount.....	506,529	122,262	179,569	150,964	46,770	5,211	1,545	209
Total itemized deductions:								
Number of returns.....	718,499	42,086	114,379	264,681	198,434	52,817	34,115	11,987
Amount.....	8,531,910	383,785	990,177	2,431,575	2,370,312	877,639	810,014	668,407
Taxable income:								
Number of returns.....	1,921,626	563,772	554,210	472,711	228,800	54,998	34,868	12,267
Amount.....	42,312,507	1,743,426	6,960,925	12,144,335	9,574,386	3,410,625	3,549,162	4,929,648
Total tax liability:								
Number of returns.....	1,948,755	590,516	555,286	472,179	228,677	54,964	34,863	12,270
Amount.....	8,354,946	310,699	1,127,338	2,025,110	1,780,983	753,766	908,486	1,448,564
Average (whole dollars).....	4,287	526	2,030	4,289	7,768	13,714	26,059	118,057
Earned income credit:								
Number of returns.....	178,697	117,387	61,310	--	--	--	--	--
Amount.....	-140,748	-113,967	-26,781	--	--	--	--	--
Excess earned income credit: <sup>2</sup>								
Number of returns.....	126,280	110,479	15,801	--	--	--	--	--
Amount.....	-95,191	-89,505	-5,686	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1991—Continued**

[Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>WYOMING</b>								
Number of returns.....	211,280	89,740	49,006	42,418	21,620	4,757	2,726	1,013
Number of exemptions.....	478,643	128,499	121,944	129,044	71,762	15,459	8,835	3,100
Adjusted gross income (less deficit).....	5,858,357	432,652	1,068,405	1,681,722	1,287,636	402,479	359,722	645,742
Salaries and wages:								
Number of returns.....	177,672	70,647	41,602	38,595	19,940	4,153	2,072	663
Amount.....	4,275,742	445,742	823,770	1,374,551	1,058,687	276,527	167,893	128,593
Interest income:								
Number of returns.....	131,290	41,393	29,783	32,820	19,087	4,543	2,661	1,003
Amount.....	413,389	61,238	65,692	67,365	49,100	23,341	33,487	113,166
Dividends:								
Number of returns.....	45,985	10,480	9,224	11,889	8,965	2,681	1,885	831
Amount.....	167,533	18,673	18,508	24,565	22,673	11,543	18,378	53,194
Net capital gain (less loss):								
Number of returns.....	29,011	6,697	5,972	6,847	4,958	1,921	1,772	844
Amount.....	272,083	15,841	13,920	20,188	22,172	16,730	31,883	151,341
Taxable pensions and annuities:								
Number of returns.....	29,991	8,598	8,383	7,115	4,135	1,046	537	177
Amount.....	281,413	44,889	76,027	77,506	48,797	15,620	11,770	6,805
Unemployment compensation:								
Number of returns.....	13,418	4,773	5,050	2,746	731	87	25	6
Amount.....	24,705	7,933	10,004	5,055	1,415	214	68	16
Total itemized deductions:								
Number of returns.....	40,700	3,069	6,896	13,542	11,740	3,122	1,824	707
Amount.....	438,836	33,262	57,152	116,181	115,512	39,215	32,668	44,846
Taxable income:								
Number of returns.....	168,260	47,905	47,694	42,361	21,611	4,752	2,726	1,011
Amount.....	4,030,963	144,395	569,748	1,123,995	966,917	322,554	305,163	598,192
Total tax liability:								
Number of returns.....	172,463	52,130	47,955	42,291	21,602	4,749	2,725	1,011
Amount.....	835,317	28,207	94,741	190,325	187,912	74,886	81,777	177,469
Average (whole dollars).....	4,843	541	1,976	4,500	8,699	15,769	30,010	175,538
Earned income credit:								
Number of returns.....	22,216	15,223	6,993	--	--	--	--	--
Amount.....	-17,641	-14,628	-3,013	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	16,346	14,228	2,118	--	--	--	--	--
Amount.....	-12,526	-11,743	-783	--	--	--	--	--
<b>OTHER AREAS<sup>4</sup></b>								
Number of returns.....	1,059,378	675,199	191,014	96,026	45,111	19,237	22,432	10,359
Number of exemptions.....	2,064,240	1,012,668	492,938	270,861	130,827	58,439	68,572	31,935
Adjusted gross income (less deficit).....	21,650,080	1,885,176	4,002,796	3,684,831	2,728,801	1,652,306	3,053,720	4,642,449
Salaries and wages:								
Number of returns.....	747,259	399,521	170,478	88,092	41,495	17,787	20,723	9,163
Amount.....	27,228,178	6,656,599	4,432,737	4,086,293	3,047,119	1,886,136	3,495,524	3,623,769
Interest income:								
Number of returns.....	500,420	229,928	111,152	72,407	39,228	17,289	20,640	9,776
Amount.....	1,380,992	291,385	190,330	181,326	150,373	91,102	154,419	322,057
Dividends:								
Number of returns.....	172,804	59,630	29,694	29,399	20,916	10,575	14,457	8,133
Amount.....	703,646	95,538	71,781	79,344	76,349	51,229	94,372	235,033
Net capital gain (less loss):								
Number of returns.....	88,508	31,414	11,785	11,884	10,382	6,146	10,168	6,749
Amount.....	874,734	106,199	41,552	50,228	57,805	45,556	113,170	460,224
Taxable pensions and annuities:								
Number of returns.....	72,309	28,081	18,441	12,041	7,229	2,758	2,660	1,101
Amount.....	953,125	201,561	241,703	193,941	138,639	58,750	66,220	52,312
Unemployment compensation:								
Number of returns.....	11,857	5,468	3,672	1,631	649	223	168	46
Amount.....	35,116	15,695	10,594	4,954	2,126	769	570	408
Total itemized deductions:								
Number of returns.....	197,491	77,795	32,186	28,266	21,879	12,355	16,899	8,111
Amount.....	2,006,980	249,797	249,294	287,539	288,514	200,414	360,169	374,254
Taxable income:								
Number of returns.....	631,969	255,534	184,150	95,391	44,942	19,202	22,401	10,349
Amount.....	15,549,587	974,116	1,979,694	2,485,870	2,042,001	1,298,283	2,538,876	4,230,748
Total tax liability:								
Number of returns.....	687,184	330,146	172,840	89,191	43,654	18,868	22,206	10,279
Amount.....	2,687,591	305,718	284,017	370,051	348,457	232,289	423,289	723,769
Average (whole dollars).....	3,911	926	1,643	4,149	7,982	12,311	19,062	70,412
Earned income credit:								
Number of returns.....	20,871	14,334	6,537	--	--	--	--	--
Amount.....	-14,460	-11,853	-2,607	--	--	--	--	--
Excess earned income credit: <sup>3</sup>								
Number of returns.....	16,218	13,524	2,694	--	--	--	--	--
Amount.....	-11,530	-10,647	-883	--	--	--	--	--

See notes following Table 21.

# Selected Historical and Other Data

**Table 3.—Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1988-1991**

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

Size of adjusted gross income	Number of returns <sup>1</sup>		Adjusted gross income (AGI) <sup>1</sup>		Taxable income <sup>1</sup>		Total income tax <sup>2</sup>
	1988	1989	1988	1989	1988	1989	1988
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total .....</b>	<b>109,708,280</b>	<b>112,135,673</b>	<b>3,083,019,783</b>	<b>3,256,358,156</b>	<b>2,069,966,980</b>	<b>2,173,345,881</b>	<b>412,869,909</b>
No adjusted gross income.....	835,420	822,952	- 41,136,289	- 42,499,835	-	-	108,837
\$1 under \$1,000.....	3,126,849	3,042,994	1,859,321	1,842,104	171,676	158,497	31,040
\$1,000 under \$3,000.....	7,456,433	7,330,646	14,705,001	14,364,878	1,044,277	1,026,356	173,108
\$3,000 under \$5,000 .....	6,466,607	6,395,856	25,721,364	25,381,428	2,469,667	2,250,491	396,062
\$5,000 under \$7,000 .....	6,217,629	6,080,369	37,397,442	36,276,901	6,409,823	5,196,365	944,306
\$7,000 under \$9,000 .....	6,191,294	6,037,574	49,432,507	48,189,579	12,109,174	11,392,055	1,803,321
\$9,000 under \$11,000 .....	5,849,931	5,954,986	58,404,122	59,572,156	18,399,630	17,522,902	2,548,936
\$11,000 under \$13,000 .....	5,429,777	5,846,086	65,153,425	70,223,349	24,954,851	26,350,589	3,351,471
\$13,000 under \$15,000 .....	5,428,329	5,390,708	75,824,890	75,328,410	33,820,451	32,229,078	4,511,389
\$15,000 under \$17,000 .....	4,965,547	4,913,743	79,375,440	78,583,188	39,607,433	38,538,699	5,453,776
\$17,000 under \$19,000 .....	4,652,964	4,679,582	83,613,482	84,168,352	44,192,736	45,058,301	6,385,486
\$19,000 under \$22,000 .....	6,092,703	6,118,287	124,598,226	125,149,987	71,346,369	70,675,174	10,425,520
\$22,000 under \$25,000 .....	5,327,778	5,358,979	125,008,547	125,645,626	76,183,987	75,113,973	11,318,621
\$25,000 under \$30,000 .....	7,517,739	7,615,123	206,201,583	209,191,554	130,581,873	131,904,440	20,361,642
\$30,000 under \$40,000 .....	11,956,600	12,100,369	415,310,640	420,231,928	274,610,362	278,320,161	44,138,991
\$40,000 under \$50,000 .....	8,264,514	8,590,273	369,115,675	383,689,075	255,121,323	263,107,712	42,768,361
\$50,000 under \$75,000 .....	8,904,085	9,921,341	532,715,520	594,483,386	383,088,855	424,581,970	74,340,917
\$75,000 under \$100,000 .....	2,520,476	3,059,386	214,204,828	261,107,136	159,574,120	193,047,596	35,685,329
\$100,000 under \$200,000 .....	1,778,258	2,090,358	236,074,161	276,331,693	183,252,229	212,184,703	47,837,393
\$200,000 under \$500,000 .....	548,472	612,814	161,914,657	179,115,618	134,674,810	146,390,252	38,699,740
\$500,000 under \$1,000,000 .....	114,808	115,646	77,893,798	78,516,288	67,559,945	66,881,786	19,162,981
\$1,000,000 or more .....	62,065	57,603	169,631,441	151,465,353	150,793,390	131,414,782	42,422,678

Size of adjusted gross income	Total income tax <sup>2</sup> --Continued	Percentage of returns showing no total income tax <sup>2</sup>		Returns showing total income tax			
		1988	1989	Average tax (whole dollars) <sup>2</sup>		Tax as percentage of AGI <sup>1,2</sup>	
				1988	1989	1988	1989
(8)	(9)	(10)	(11)	(12)	(13)	(14)	
<b>Total .....</b>	<b>432,939,988</b>	<b>20.6</b>	<b>20.5</b>	<b>4,738</b>	<b>4,855</b>	<b>13.8</b>	<b>13.7</b>
No adjusted gross income.....	102,251	99.3	99.3	18,286	17,153	-	-
\$1 under \$1,000.....	26,595	71.1	74.8	34	35	5.1	4.5
\$1,000 under \$3,000.....	175,791	73.6	72.5	88	87	4.9	4.6
\$3,000 under \$5,000 .....	361,934	64.6	65.5	173	164	4.4	4.2
\$5,000 under \$7,000 .....	808,791	35.7	38.4	236	216	3.9	3.6
\$7,000 under \$9,000 .....	1,700,016	37.7	37.8	468	453	5.8	5.7
\$9,000 under \$11,000 .....	2,483,871	32.7	34.5	648	637	6.5	6.4
\$11,000 under \$13,000 .....	3,572,710	26.4	27.2	839	839	7.0	7.0
\$13,000 under \$15,000 .....	4,343,324	19.2	20.0	1,029	1,007	7.4	7.2
\$15,000 under \$17,000 .....	5,325,208	8.2	8.7	1,197	1,187	7.5	7.4
\$17,000 under \$19,000 .....	6,465,468	3.8	4.6	1,427	1,448	7.9	8.1
\$19,000 under \$22,000 .....	10,516,360	2.1	1.8	1,748	1,750	8.5	8.0
\$22,000 under \$25,000 .....	11,181,574	1.0	1.6	2,146	2,120	9.1	9.0
\$25,000 under \$30,000 .....	20,726,836	0.7	1.0	2,729	2,748	9.9	10.0
\$30,000 under \$40,000 .....	45,597,596	0.5	0.4	3,710	3,785	10.7	10.9
\$40,000 under \$50,000 .....	44,034,240	0.2	0.4	5,184	5,144	11.6	11.5
\$50,000 under \$75,000 .....	81,250,313	0.1	0.2	8,356	8,202	14.0	13.7
\$75,000 under \$100,000 .....	42,671,702	0.1	0.2	14,169	13,973	16.7	16.4
\$100,000 under \$200,000 .....	54,471,932	0.1	0.1	26,934	26,092	20.3	19.7
\$200,000 under \$500,000 .....	41,631,082	0.1	0.1	70,637	68,027	23.9	23.3
\$500,000 under \$1,000,000 .....	18,882,584	0.1	0.1	167,097	163,497	24.6	24.1
\$1,000,000 or more .....	36,609,819	0.1	0.2	684,546	636,582	25.0	24.2

See notes following Table 21.

# Selected Historical and Other Data

**Table 3.--Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1988-1991--Continued**

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

Size of adjusted gross income	Number of returns <sup>1</sup>		Adjusted gross income (AGI) <sup>1</sup>		Taxable income <sup>1</sup>		Total income tax <sup>2</sup>
	1990	1991	1990	1991	1990	1991	1990
	(15)	(16)	(17)	(18)	(19)	(20)	(20)
<b>Total</b> .....	<b>113,717,138</b>	<b>114,730,123</b>	<b>3,405,427,348</b>	<b>3,464,524,369</b>	<b>2,263,661,230</b>	<b>2,284,087,935</b>	<b>447,126,703</b>
No adjusted gross income.....	904,876	926,020	-45,809,664	-51,617,151	--	--	65,556
\$1 under \$1,000.....	2,782,846	2,849,361	1,712,429	1,683,768	147,900	116,682	22,287
\$1,000 under \$3,000.....	7,378,581	7,083,525	14,808,168	13,883,582	1,051,956	972,640	178,856
\$3,000 under \$5,000.....	6,316,845	6,136,013	25,176,442	24,519,899	2,187,015	1,738,887	348,603
\$5,000 under \$7,000.....	6,004,236	6,103,154	36,020,822	36,691,283	4,814,969	4,069,204	758,873
\$7,000 under \$9,000.....	6,025,538	6,100,223	48,176,536	48,748,999	10,116,781	9,716,366	1,509,507
\$9,000 under \$11,000.....	5,890,809	5,870,993	58,904,288	58,581,732	16,222,041	15,035,511	2,303,211
\$11,000 under \$13,000.....	5,572,651	5,572,994	66,925,640	66,796,371	23,356,241	20,520,281	3,180,191
\$13,000 under \$15,000.....	5,382,371	5,383,932	75,300,193	75,239,187	31,079,932	29,156,451	4,118,295
\$15,000 under \$17,000.....	4,686,440	5,104,491	74,942,191	81,613,352	35,853,156	36,318,492	4,841,520
\$17,000 under \$19,000.....	4,656,276	4,477,972	83,806,510	80,625,320	42,919,171	39,149,865	6,066,851
\$19,000 under \$22,000.....	6,307,571	6,106,224	129,109,902	125,067,606	71,719,685	66,638,998	10,600,417
\$22,000 under \$25,000.....	5,465,258	5,591,888	128,101,382	131,214,635	75,920,473	74,990,961	11,257,831
\$25,000 under \$30,000.....	7,838,226	7,873,619	215,207,576	216,086,077	133,528,020	131,461,525	20,557,462
\$30,000 under \$40,000.....	12,282,787	12,346,753	426,384,692	429,097,816	280,504,593	279,498,354	45,303,447
\$40,000 under \$50,000.....	8,837,067	8,816,813	394,730,512	393,548,840	270,449,536	266,283,650	44,851,709
\$50,000 under \$75,000.....	10,944,102	11,390,205	657,214,261	685,643,232	466,517,729	481,213,204	87,241,466
\$75,000 under \$100,000.....	3,276,142	3,571,629	279,524,997	305,015,139	205,237,566	221,951,125	44,375,252
\$100,000 under \$200,000.....	2,329,562	2,597,908	305,567,590	339,097,584	230,497,142	258,310,875	57,823,643
\$200,000 under \$500,000.....	644,027	676,038	188,004,834	196,264,221	152,657,211	165,216,471	43,437,775
\$500,000 under \$1,000,000.....	130,252	118,350	87,142,014	79,606,495	74,316,528	69,658,824	20,942,219
\$1,000,000 or more.....	60,677	52,019	154,676,032	127,116,380	134,563,588	112,069,567	37,341,734

Size of adjusted gross income	Total income tax <sup>2</sup>	Percentage of returns showing no total income tax <sup>2</sup>		Returns showing total income tax			
	--Continued	1990	1991	Average tax (whole dollars) <sup>2</sup>		Tax as percentage of AGI <sup>1,2</sup>	
	(22)	(23)	(24)	1990	1991	1990	1991
<b>Total</b> .....	<b>448,429,593</b>	<b>21.0</b>	<b>22.7</b>	<b>4,976</b>	<b>5,034</b>	<b>13.6</b>	<b>13.4</b>
No adjusted gross income.....	80,940	99.2	99.1	8,876	9,861	--	--
\$1 under \$1,000.....	17,637	74.0	77.2	31	27	4.0	3.4
\$1,000 under \$3,000.....	162,746	72.8	74.5	89	90	4.7	4.7
\$3,000 under \$5,000.....	275,433	65.7	69.0	161	145	4.0	3.6
\$5,000 under \$7,000.....	633,850	42.2	49.5	219	205	3.6	3.3
\$7,000 under \$9,000.....	1,474,313	40.2	38.6	419	394	5.3	4.9
\$9,000 under \$11,000.....	2,155,525	37.6	40.1	626	613	6.3	6.1
\$11,000 under \$13,000.....	2,804,309	30.3	34.6	818	769	6.8	6.4
\$13,000 under \$15,000.....	3,843,145	24.4	28.5	1,012	1,002	7.2	7.1
\$15,000 under \$17,000.....	4,686,613	11.5	21.3	1,167	1,167	7.3	7.3
\$17,000 under \$19,000.....	5,283,917	5.3	11.5	1,376	1,333	7.6	7.4
\$19,000 under \$22,000.....	9,608,292	2.3	3.2	1,720	1,626	8.4	7.9
\$22,000 under \$25,000.....	11,131,373	1.2	2.3	2,085	2,038	8.9	8.7
\$25,000 under \$30,000.....	19,978,743	1.1	1.2	2,653	2,568	9.7	9.4
\$30,000 under \$40,000.....	45,090,210	0.5	0.8	3,708	3,681	10.7	10.6
\$40,000 under \$50,000.....	43,457,571	0.3	0.3	5,090	4,943	11.4	11.1
\$50,000 under \$75,000.....	87,835,843	0.2	0.3	7,986	7,732	13.3	12.8
\$75,000 under \$100,000.....	47,012,249	0.1	0.1	13,563	13,172	15.9	15.4
\$100,000 under \$200,000.....	62,842,884	0.2	0.2	24,865	24,239	19.0	18.6
\$200,000 under \$500,000.....	46,262,078	0.1	0.1	67,544	68,530	23.1	23.6
\$500,000 under \$1,000,000.....	20,490,663	0.1	0.2	161,017	173,419	24.1	25.8
\$1,000,000 or more.....	33,301,257	0.2	0.2	616,495	641,284	24.2	26.3

See notes following Table 21.

## Selected Historical and Other Data

**Table 4.—Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA), for Specified Years, 1970-1991**

[All figures are estimates—money amounts are in billions of dollars]

Income and adjustment items	1970	1975	1980	1985	1989	1990r	1991p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>1. Personal income (per NIPA)</b> .....	<b>831.0</b>	<b>1,307.3</b>	<b>2,265.4</b>	<b>3,379.8</b>	<b>4,380.3</b>	<b>4,673.8</b>	<b>4,850.9</b>
<b>2. Portion of personal income not included in AGI</b> .....	<b>179.7</b>	<b>346.0</b>	<b>603.7</b>	<b>1,039.4</b>	<b>1,217.0</b>	<b>1,342.8</b>	<b>1,458.4</b>
Transfer payments (except taxable military pay and taxable Government pensions) .....	77.0	171.6	282.1	407.4	509.1	558.3	623.6
Other labor income (except fees) .....	31.9	65.0	138.0	188.5	247.6	269.8	292.1
Imputed income <sup>1</sup> .....	25.2	32.0	47.6	66.2	74.2	83.7	95.2
Investment income received by nonprofit institutions or retained by fiduciaries .....	7.5	11.1	19.9	32.6	44.1	50.5	48.5
Investment income retained by life insurance carriers and noninsured pension funds <sup>2</sup> .....	12.5	23.5	58.7	122.1	181.1	192.7	203.7
Net differences in accounting treatment (NIPA vs. IRS) <sup>3</sup> .....	10.0	17.8	15.3	89.9	82.4	94.3	93.9
Other excluded or tax exempt income .....	15.8	24.9	42.1	132.6	78.6	93.5	101.3
<b>3. Portion of AGI not included in personal income</b> .....	<b>47.1</b>	<b>85.9</b>	<b>157.0</b>	<b>303.1</b>	<b>527.3</b>	<b>521.6</b>	<b>537.2</b>
Personal contributions for social insurance .....	27.9	50.4	88.6	149.1	211.4	224.9	237.8
Net capital gain less loss from sales of property .....	7.8	13.9	27.1	60.9	142.1	107.6	88.7
Taxable private pensions .....	6.3	14.0	32.7	90.2	123.2	139.2	153.9
S Corporation income (taxed through shareholders) less loss .....	1.7	2.1	0.7	6.3	37.7	36.4	35.9
Other taxable income less loss .....	3.4	5.4	7.9	-3.4	12.9	13.6	20.9
<b>4. Total net adjustment for conceptual differences (line 2 minus line 3)</b> .....	<b>132.6</b>	<b>260.1</b>	<b>446.7</b>	<b>736.4</b>	<b>689.7</b>	<b>821.2</b>	<b>921.2</b>
<b>5. Estimated total AGI (per NIPA) (line 1 minus line 4)</b> .....	<b>698.4</b>	<b>1,047.1</b>	<b>1,818.7</b>	<b>2,643.5</b>	<b>3,690.6</b>	<b>3,852.6</b>	<b>3,929.7</b>
<b>6. Adjusted gross income (AGI) (SOI)</b> .....	<b>631.7</b>	<b>947.8</b>	<b>1,613.7</b>	<b>2,306.0</b>	<b>3,256.4</b>	<b>3,405.4</b>	<b>3,471.5</b>
<b>7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6)</b> .....	<b>66.7</b>	<b>99.4</b>	<b>205.0</b>	<b>337.5</b>	<b>434.2</b>	<b>447.1</b>	<b>458.2</b>

See notes following Table 21.

# Selected Historical and Other Data

**Table 5.—Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1947-1992**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) <sup>1</sup>	Total adjusted gross income (AGI) (per NIPA) <sup>1,3</sup>	Difference	
			Amount <sup>3</sup>	Percentage of personal income <sup>3</sup>
	(1)	(2)	(3)	(4)
1947.....	190.2	170.6	19.6	10.3
1948.....	209.2	184.6	24.6	11.8
1949.....	206.4	181.7	24.7	12.0
1950.....	228.1	201.4	26.7	11.7
1951.....	256.5	228.8	27.7	10.8
1952.....	273.8	241.8	32.0	11.7
1953.....	290.5	257.1	33.4	11.5
1954.....	293.0	256.4	36.6	12.5
1955.....	314.2	277.1	37.1	11.8
1956.....	337.2	297.9	39.3	11.7
1957.....	356.3	310.7	45.6	12.8
1958.....	367.1	316.0	51.1	13.9
1959.....	391.2	338.2	52.9	13.5
1960.....	409.2	350.9	58.3	14.3
1961.....	426.5	364.8	61.7	14.5
1962.....	453.4	386.7	66.7	14.7
1963.....	476.4	408.1	68.2	14.3
1964.....	510.7	441.5	69.2	13.5
1965.....	552.9	478.9	74.0	13.4
1966.....	601.7	520.3	81.4	13.5
1967.....	646.5	554.5	92.0	14.2
1968.....	709.9	607.9	102.0	14.4
1969.....	773.7	662.6	111.1	14.4
1970.....	831.0	698.4	132.6	16.0
1971.....	893.5	744.0	149.5	16.7
1972.....	980.5	824.3	156.2	15.9
1973.....	1,098.7	926.0	172.7	15.7
1974.....	1,205.7	1,004.1	201.5	16.7
1975.....	1,307.3	1,047.1	260.1	19.9
1976.....	1,446.3	1,166.8	279.5	19.3
1977.....	1,601.3	1,293.3	308.0	19.2
1978.....	1,807.9	1,465.6	342.3	18.9
1979.....	2,033.1	1,651.7	381.4	18.8
1980.....	2,265.4	1,818.7	446.7	19.7
1981.....	2,534.7	2,001.8	532.9	21.0
1982.....	2,690.9	2,077.5	613.4	22.8
1983.....	2,862.5	2,227.1	635.5	22.2
1984.....	3,154.6	2,454.7	699.9	22.2
1985.....	3,379.8	2,643.5	736.3	21.8
1986.....	3,590.4	2,880.6	709.9	19.8
1987.....	3,802.0	3,165.5	636.5	16.7
1988.....	4,075.9	3,441.2	634.8	15.6
1989.....	4,380.3	3,690.6	689.7	15.8
r1990.....	4,673.8	3,852.6	821.2	17.6
r1991.....	4,850.9	3,929.7	921.2	19.0
r1992.....	5,144.9	n.a.	n.a.	n.a.

See notes following Table 21.

# Selected Historical and Other Data

**Table 6.—Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and Adjusted Gross Income Reported on Individual Income Tax Returns per SOI, Tax Years 1947-1991**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) <sup>2</sup>	Reported on tax returns (per SOI) <sup>2</sup>	Amount <sup>2</sup>	Percentage of total <sup>2</sup>
	(1)	(2)	(3)	(4)
1947.....	170.6	149.7	20.9	12.3
1948.....	184.6	163.6	21.0	11.4
1949.....	181.7	160.6	21.1	11.6
1950.....	201.4	179.1	22.3	11.1
1951.....	228.8	202.4	26.4	11.5
1952.....	241.8	215.3	26.5	11.0
1953.....	257.1	228.7	28.4	11.0
1954.....	256.4	229.2	27.2	10.6
1955.....	277.1	248.5	28.6	10.3
1956.....	279.9	267.8	30.1	10.8
1957.....	310.7	280.4	30.3	9.8
1958.....	316.0	281.2	34.8	11.0
1959.....	338.2	305.1	33.1	9.8
1960.....	350.9	315.5	35.4	10.1
1961.....	364.8	329.9	35.0	9.6
1962.....	386.7	348.7	38.0	9.8
1963.....	408.1	368.8	39.4	9.7
1964.....	441.5	396.7	44.8	10.1
1965.....	478.9	429.2	49.7	10.4
1966.....	520.3	468.5	51.9	10.0
1967.....	554.5	504.8	49.7	9.0
1968.....	607.9	554.4	53.5	8.8
1969.....	662.6	603.5	59.0	8.9
1970.....	698.4	631.7	66.7	9.6
1971.....	744.0	673.6	70.4	9.5
1972.....	824.3	746.0	78.3	9.5
1973.....	926.0	827.1	98.8	10.7
1974.....	1,004.1	905.5	98.6	9.8
1975.....	1,047.1	947.8	99.4	9.5
1976.....	1,166.8	1,053.9	112.9	9.7
1977.....	1,293.3	1,158.5	134.8	10.4
1978.....	1,465.6	1,302.4	163.1	11.1
1979.....	1,651.7	1,465.4	186.3	11.3
1980.....	1,818.7	1,613.7	205.0	11.3
1981.....	2,001.8	1,772.6	229.1	11.4
1982.....	2,007.5	1,852.1	225.4	11.2
1983.....	2,227.1	1,942.6	284.5	12.8
1984.....	2,454.7	2,139.9	314.8	12.8
1985.....	2,643.5	2,306.0	337.5	12.8
1986.....	2,880.6	2,481.7	398.9	13.8
1987.....	3,165.5	2,773.8	391.7	12.4
1988.....	3,456.3	3,083.0	373.3	10.8
1989.....	3,690.6	3,256.4	434.2	11.8
r1990.....	3,852.6	3,405.4	447.1	11.6
r1991.....	3,929.7	3,484.5	465.2	11.7

See notes following Table 21.

# Selected Historical and Other Data

**Table 7.--Standard, Itemized and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944-1991**

[All figures are estimates based on samples--number of returns are in millions; money amounts are in billions of dollars]

Tax year	Total number of returns	Standard deduction		Itemized deductions		Total deductions	
		Number of returns <sup>1</sup>	Amount <sup>2</sup>	Number of returns <sup>1</sup>	Amount <sup>3</sup>	Amount <sup>4</sup>	Percentage of adjusted gross income (AGI) <sup>5,7</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1944.....	47.1	38.7	8.0	8.4	4.8	12.8	11.0
1945.....	49.9	41.5	8.1	8.5	5.5	13.6	11.3
1946.....	52.8	44.1	8.9	8.8	6.3	15.2	11.3
1947.....	55.1	44.7	9.8	10.4	7.8	17.6	11.8
1948.....	52.1	43.2	11.5	8.8	7.9	19.4	11.9
1949.....	51.8	42.1	11.1	9.7	8.8	19.9	12.4
1950.....	53.1	42.7	12.0	10.3	9.9	21.9	12.2
1951.....	55.4	43.9	13.3	11.6	11.9	25.2	12.5
1952.....	56.5	43.7	13.7	12.8	13.6	27.3	12.7
1953.....	57.8	43.4	14.2	14.4	15.6	29.8	13.0
1954.....	56.7	41.0	13.3	15.7	17.4	30.7	13.4
1955.....	58.3	41.4	13.6	16.9	20.0	33.6	13.5
1956.....	59.2	40.7	13.8	18.5	22.6	36.4	13.6
1957.....	59.8	39.7	13.8	20.2	25.7	39.5	14.1
1958.....	59.1	38.3	13.2	20.8	27.5	40.7	14.5
1959.....	60.3	37.8	13.4	22.5	32.0	45.4	14.9
1960.....	61.0	36.9	13.1	24.1	35.3	48.4	15.3
1961.....	61.5	36.2	12.9	25.3	38.4	51.3	15.6
1962.....	62.7	36.3	13.1	26.5	41.7	54.8	15.7
1963.....	63.9	35.8	13.1	28.2	46.1	59.2	16.1
1964.....	65.4	38.5	20.2	26.9	46.8	67.0	16.9
1965.....	67.6	39.7	20.6	27.9	50.7	71.4	16.6
1966.....	70.2	41.6	21.8	28.6	54.6	76.4	16.3
1967.....	71.7	41.9	22.1	29.8	59.6	81.7	16.2
1968.....	73.7	41.7	22.1	32.0	69.2	91.3	16.5
1969.....	75.8	40.9	21.6	34.9	80.2	101.8	16.9
1970.....	74.3	38.8	32.4	35.4	88.2	120.5	19.1
1971.....	74.6	43.9	48.1	30.7	91.9	139.9	20.8
1972.....	77.6	50.6	69.8	27.0	96.7	166.4	22.3
1973.....	80.7	52.6	73.6	28.0	107.0	180.6	21.8
1974.....	83.3	53.8	76.1	29.6	119.4	195.5	21.6
1975.....	82.2	56.1	100.9	26.1	122.3	233.2	24.6
1976.....	84.7	58.7	113.8	26.0	133.9	247.6	23.5
1977.....	86.6	63.7	137.7	22.9	138.5	276.2	23.8
1978.....	89.8	64.0	139.8	25.8	164.4	304.3	23.4
1979.....	92.7	66.2	148.8	26.5	184.2	333.0	22.7
1980.....	93.9	65.0	146.0	29.0	218.0	346.0	21.4
1981.....	95.4	63.8	144.7	31.6	256.4	401.2	22.6
1982.....	95.3	61.9	140.2	33.4	284.5	425.2	23.0
1983.....	96.3	61.1	138.5	35.2	309.6	448.7	23.1
1984.....	99.4	61.2	139.5	38.2	358.9	499.6	23.3
1985.....	101.7	61.8	145.0	39.8	405.0	554.7	24.1
1986.....	103.3	62.4	151.0	40.7	447.1	611.3	24.6
1987.....	107.0	71.4	215.2	35.6	392.0	607.2	21.9
1988.....	109.7	76.5	289.6	31.9	395.2	686.0	22.3
1989.....	112.1	79.3	309.4	32.0	431.0	740.4	22.7
1990.....	113.7	80.6	331.5	32.2	458.5	789.9	23.2
1991.....	114.7	81.3	351.1	32.5	467.7	818.8	23.6

See notes following Table 21.

# Selected Historical and Other Data

**Table 8.—Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per SOI, Tax Years 1947-1992**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) <sup>1</sup>	Taxable income (per SOI) <sup>2</sup>		Total income tax (per SOI) <sup>3</sup>		
		Amount	As a percentage of personal income	Total	As a percentage of....	
					Personal income <sup>1</sup>	Taxable income <sup>2 r</sup>
(1)	(2)	(3)	(4)	(5)	(6)	
1947.....	190.2	75.4	39.6	18.1	9.5	24.0
1948.....	209.2	74.8	35.8	15.4	7.4	20.6
1949.....	206.4	71.7	34.7	14.5	7.0	20.2
1950.....	228.1	84.3	37.0	18.4	8.1	21.8
1951.....	256.5	99.2	38.7	24.2	9.4	24.4
1952.....	273.8	107.2	39.2	27.8	10.2	25.9
1953.....	290.5	114.3	39.3	29.4	10.1	25.7
1954.....	293.0	115.3	39.4	26.7	9.1	23.2
1955.....	314.2	128.0	40.7	29.6	9.4	23.1
1956.....	337.2	141.5	42.0	32.7	9.7	23.1
1957.....	356.3	149.4	41.9	34.4	9.7	23.0
1958.....	367.1	149.3	40.7	34.3	9.3	23.0
1959.....	391.2	166.5	42.6	38.6	9.9	23.2
1960.....	409.2	171.6	41.9	39.5	9.7	23.0
1961.....	426.5	181.8	42.6	42.2	9.9	23.2
1962.....	453.4	195.3	43.1	44.9	9.9	23.0
1963.....	476.4	209.1	43.9	48.2	10.1	23.1
1964.....	510.7	229.9	45.0	47.2	9.2	20.5
1965.....	552.9	255.1	46.1	49.6	9.0	19.4
1966.....	601.7	286.3	47.6	56.1	9.3	19.6
1967.....	646.5	315.1	48.7	63.0	9.7	20.0
1968.....	709.9	352.8	49.7	76.7	10.8	21.7
1969.....	773.7	388.8	50.3	86.6	11.2	22.3
1970.....	831.0	401.2	48.3	83.9	10.1	20.9
1971.....	893.5	414.0	46.3	85.4	9.6	20.6
1972.....	980.5	447.6	45.7	93.6	9.6	20.9
1973.....	1,098.7	511.9	46.6	108.1	9.8	21.1
1974.....	1,205.7	573.6	47.6	123.6	10.3	21.5
1975.....	1,307.3	595.5	45.6	124.5	9.5	20.9
1976.....	1,446.3	674.9	46.7	141.8	9.8	21.0
1977.....	1,601.3	733.8	45.8	159.8	10.0	21.8
1978.....	1,807.9	846.4	46.8	188.2	10.4	22.2
1979.....	2,033.1	926.6	45.6	214.5	10.6	23.2
1980.....	2,265.4	1,045.2	46.1	250.3	11.0	23.0
1981.....	2,534.7	1,170.1	46.2	284.1	11.2	24.3
1982.....	2,690.9	1,231.9	45.8	277.6	10.3	22.5
1983.....	2,862.5	1,300.2	45.4	274.2	9.6	21.1
1984.....	3,154.6	1,447.0	45.9	301.9	9.6	20.9
1985.....	3,379.8	1,550.5	45.9	325.7	9.6	21.0
1986.....	3,590.4	1,665.6	46.4	367.3	10.2	22.1
1987.....	3,802.0	1,850.6	48.7	369.2	9.7	20.0
1988.....	4,075.9	2,070.0	50.8	412.9	10.1	19.9
1989.....	4,380.3	2,173.3	49.6	432.9	9.9	19.9
r1990.....	4,673.8	2,263.7	48.4	447.1	9.6	19.8
r1991.....	4,850.9	2,284.1	47.1	448.4	9.6	19.6
r1992.....	5,144.9	n.a.	n.a.	n.a.	n.a.	n.a.

See notes following Table 21.

# Selected Historical and Other Data

**Table 9.—Number of Individual Income Tax Returns by Type of Tax Settlement, Tax Years 1944-1991**

[All figures are estimates based on samples—number of returns are in millions]

Tax year	Total number of returns	Returns with—		
		Tax due at time of filing	Overpayments <sup>1</sup>	No overpayments or tax due at time of filing
	(1)	(2)	(3)	(4)
1944.....	47.1	22.6	22.9	1.6
1945.....	49.9	14.5	33.5	1.9
1946.....	52.8	13.6	34.4	4.8
1947.....	55.1	15.3	33.0	6.7
1948.....	52.1	8.1	38.4	5.6
1949.....	51.8	13.8	30.2	7.9
1950.....	53.1	14.3	32.0	6.8
1951.....	55.4	18.6	31.0	5.8
1952.....	56.5	19.3	32.1	5.1
1953.....	57.8	19.0	32.7	6.2
1954.....	56.7	16.6	35.2	5.0
1955.....	58.3	18.7	35.4	4.2
1956.....	59.2	19.4	36.1	3.7
1957.....	59.8	18.6	37.6	3.6
1958.....	59.1	18.1	37.4	3.6
1959.....	60.3	19.1	38.4	2.8
1960.....	61.0	18.1	39.4	3.5
1961.....	61.5	18.6	40.0	2.9
1962.....	62.7	18.7	40.9	3.1
1963.....	63.9	19.3	41.4	3.3
1964.....	65.4	22.5	39.3	3.5
1965.....	67.8	20.0	44.3	3.2
1966.....	70.2	17.8	49.4	3.0
1967.....	71.7	17.5	51.2	3.0
1968.....	73.7	20.3	50.6	2.8
1969.....	75.8	17.9	54.9	3.0
1970.....	74.3	16.5	55.3	2.5
1971.....	74.6	17.0	55.3	2.4
1972.....	77.6	11.9	63.3	2.3
1973.....	80.7	14.2	64.2	2.2
1974.....	83.3	15.4	65.8	2.1
1975.....	82.2	15.8	63.8	2.6
1976.....	84.7	16.9	65.0	2.8
1977.....	86.6	17.8	66.0	2.8
1978.....	89.8	21.6	65.5	2.7
1979.....	92.7	18.8	71.4	2.4
1980.....	93.9	21.8	69.9	2.3
1981.....	95.4	23.0	70.0	2.4
1982.....	95.3	20.3	72.4	2.6
1983.....	96.3	18.5	75.0	2.9
1984.....	99.4	21.2	75.6	2.7
1985.....	101.7	21.2	77.4	3.0
1986.....	103.0	21.5	78.1	3.5
1987.....	107.0	23.8	79.8	3.4
1988.....	109.7	27.2	79.1	3.4
1989.....	112.1	28.0	80.9	3.2
1990.....	113.7	27.0	83.5	3.2
1991.....	114.7	25.6	82.4	6.7

See notes following Table 21.

# Selected Historical and Other Data

**Table 10.— Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1970-1991**

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

Item	1970	1975	1980	1985	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns with nonfarm businesses net income or deficit, total</b> .....	5,769,741	7,221,346	8,931,712	11,928,573	14,782,738	15,180,722
Number with nonfarm business net income.....	n.a.	n.a.	n.a.	8,640,701	11,221,925	11,550,579
<b>Number of nonfarm businesses</b> .....	6,493,789	7,759,576	9,730,019	n.a.	16,596,384	16,959,688
<b>Business receipts, total</b> .....	198,582,172	273,954,741	411,205,713	540,045,430	730,606,020	712,567,989
Income from sales and operations.....	n.a.	272,342,560	407,169,299	528,675,271	719,007,636	700,681,216
<b>Total deductions</b> <sup>1</sup> .....	168,044,746	234,318,288	356,258,495	461,272,852	589,249,583	571,153,515
Cost of sales and operations.....	109,148,811	146,261,435	209,889,809	232,294,132	291,010,060	272,626,595
Inventory, beginning-of-year.....	n.a.	n.a.	n.a.	21,435,438	29,024,992	29,516,926
Inventory, end-of-year.....	11,060,775	15,578,040	21,996,236	24,969,895	30,421,844	29,782,755
Purchases.....	88,585,913	117,722,352	168,301,517	n.a.	210,225,158	200,860,580
Cost of labor.....	7,704,285	8,791,083	10,922,221	14,504,201	22,679,507	21,917,899
Materials and supplies.....	6,216,057	9,090,638	12,909,222	n.a.	30,195,388	28,072,005
Advertising.....	n.a.	n.a.	n.a.	n.a.	6,574,743	6,712,252
Car and truck expenses.....	n.a.	n.a.	13,378,289	17,044,421	21,765,531	22,594,000
Commissions.....	1,274,016	2,225,830	3,333,345	n.a.	8,816,233	7,628,344
Depletion.....	n.a.	n.a.	n.a.	n.a.	816,131	717,387
Depreciation.....	5,451,525	7,958,143	13,952,703	26,291,389	23,734,507	23,076,150
Pension and profit sharing plans.....	72,741	125,296	141,463	311,323	586,394	519,358
Employee benefit programs.....	n.a.	n.a.	n.a.	n.a.	1,056,604	1,016,368
Insurance.....	2,309,608	3,503,812	6,003,126	n.a.	13,357,568	13,064,988
Interest paid, total.....	1,784,276	3,390,845	7,190,257	11,913,982	13,311,670	12,077,268
Mortgage interest.....	n.a.	n.a.	n.a.	n.a.	6,256,506	5,527,499
Other interest.....	n.a.	n.a.	n.a.	n.a.	7,055,164	6,549,769
Legal and professional services.....	699,229	1,164,048	2,633,596	n.a.	5,880,163	5,376,814
Meals and entertainment expenses before limitation.....	n.a.	n.a.	n.a.	n.a.	5,329,281	5,646,857
Meals and entertainment deduction.....	n.a.	n.a.	n.a.	n.a.	4,262,870	4,516,821
Office expenses.....	n.a.	n.a.	n.a.	n.a.	6,896,758	7,086,395
Rent paid, total.....	4,636,528	6,676,314	9,636,290	15,258,690	23,391,608	23,643,282
On machinery.....	n.a.	n.a.	n.a.	n.a.	3,754,492	4,160,172
On other business property.....	n.a.	n.a.	n.a.	n.a.	19,637,116	19,483,110
Repairs.....	2,444,607	3,044,175	5,031,573	n.a.	8,940,657	9,158,697
Net salaries and wages (not deducted elsewhere).....	15,107,047	20,227,859	26,560,821	38,265,691	46,998,029	48,889,989
Taxes paid.....	3,775,502	5,423,961	7,672,459	n.a.	10,341,654	10,629,067
Travel.....	n.a.	n.a.	n.a.	n.a.	5,605,961	5,475,477
Utilities (including telephone).....	n.a.	n.a.	4,790,337	n.a.	13,538,612	13,259,743
Bad debts.....	n.a.	n.a.	n.a.	600,613	1,038,756	1,130,267
<b>Net income (less deficit)</b> <sup>1</sup> .....	30,537,426	39,636,453	54,947,219	78,772,578	141,430,193	141,515,783
Net income <sup>1</sup> .....	33,735,732	45,624,890	68,010,051	98,775,563	161,657,252	162,426,709
Deficit <sup>1</sup> .....	3,198,306	5,988,437	13,062,832	20,002,986	20,227,059	20,910,927

See notes following Table 21.

## Selected Historical and Other Data

**Table 11.--Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1970-1991**

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

Item	1970	1975	1980	1985	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total number of active partnerships</b> .....	<b>936,133</b>	<b>1,073,094</b>	<b>1,379,654</b>	<b>1,713,603</b>	<b>1,553,529</b>	<b>1,515,345</b>
Number with net income .....	639,795	661,134	774,173	875,846	853,676	855,523
Number with balance sheets .....	555,741	783,271	1,194,236	1,227,498	1,081,224	1,047,704
<b>Number of partners</b> .....	<b>3,697,818</b>	<b>4,950,634</b>	<b>8,419,899</b>	<b>13,244,824</b>	<b>17,094,966</b>	<b>15,801,047</b>
<b>Total assets</b> .....	<b>16,752,751</b>	<b>235,468,301</b>	<b>597,503,923</b>	<b>1,269,434,302</b>	<b>1,735,285,033</b>	<b>1,816,567,895</b>
Depreciable assets (net) .....	n.a.	113,124,969	239,139,823	695,878,822	681,409,780 <sup>f</sup>	696,335,452
Inventories, end of year .....	n.a.	11,985,431	33,218,272	27,279,234	56,507,062	56,845,071
Land .....	n.a.	36,731,958	70,241,248	152,179,314	214,757,035	212,850,061
<b>Total liabilities</b> .....	<b>n.a.</b>	<b>193,875,629</b>	<b>488,734,023</b>	<b>1,069,221,649</b>	<b>1,415,247,893</b>	<b>1,460,065,895</b>
Accounts payable .....	n.a.	12,302,055	33,899,048	40,871,755	66,747,965	63,086,121
Short-term debt .....	n.a.	22,709,476	48,001,839	102,760,363	88,092,149	116,756,131
Long-term debt .....	n.a.	136,296,764	178,044,406	381,960,685	497,560,607	490,848,692
Nonrecourse loans .....	n.a.	n.a.	118,910,380	327,558,208	470,139,911	474,221,624
<b>Partners' capital accounts</b> .....	<b>n.a.</b>	<b>41,592,672</b>	<b>108,769,900</b>	<b>200,212,653</b>	<b>320,037,140</b>	<b>356,502,000</b>
<b>Total receipts</b> .....	<b>93,348,080</b>	<b>148,417,529</b>	<b>291,998,115</b>	<b>367,117,316</b>	<b>565,357,343<sup>f</sup></b>	<b>562,042,855</b>
Business receipts .....	90,208,834	142,505,781	271,108,832	302,733,374	483,417,504	483,164,395
Interest received .....	942,304	2,477,173	10,869,323	20,558,966	20,799,831	19,872,179
<b>Total deductions</b> .....	<b>83,557,684</b>	<b>140,679,959</b>	<b>283,749,460</b>	<b>376,000,991</b>	<b>549,602,678</b>	<b>541,229,674</b>
Cost of sales and operations .....	46,040,874	64,672,843	113,885,668	146,315,315	242,448,195	236,500,500
Purchases .....	31,820,581	42,608,734	70,439,607	91,925,923	140,521,621	134,066,152
Cost of labor .....	4,146,927	4,585,836	7,015,547	8,845,106	13,924,993	14,188,250
Salaries and wages .....	8,129,233	12,489,039	22,336,337	33,884,204	56,025,118	57,907,843
Taxes paid .....	3,159,258	5,770,918	9,553,145	7,745,756	9,339,396	9,863,080
Interest paid .....	4,470,206	12,097,100	28,362,385	28,674,933	29,617,935	27,973,593
Depreciation .....	4,578,820	10,108,834	21,576,189	53,650,790	60,204,443	58,362,541
<b>Net income (less deficit)</b> .....	<b>9,790,396</b>	<b>7,737,570</b>	<b>8,248,655</b>	<b>-8,883,674</b>	<b>16,609,540</b>	<b>21,406,607</b>
Net income .....	14,419,124	22,431,931	45,061,756	77,044,693	116,317,801	113,408,221
Deficit .....	4,628,728	14,694,361	36,813,100	85,928,367	99,708,261	92,001,615

See notes following Table 21.

# Selected Historical and Other Data

**Table 12.—Number of Business Income Tax Returns by Size of Business for Specified Income Years, 1970-1991**

[All figures are estimates based on samples—number of businesses are in thousands]

Size of business	1970	1975	1980	1985	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)
<b>CORPORATIONS</b>						
<b>Receipt size <sup>1</sup></b>						
Under \$25,000 <sup>2</sup> .....	451.9	468.9	557.0	710.8	878.7	n.a.
\$25,000 under \$50,000 .....	170.7	186.4	207.7	236.6	252.0	n.a.
\$50,000 under \$100,000 .....	219.8	260.7	322.7	330.2	358.9	n.a.
\$100,000 under \$250,000 .....	516.9	673.9	558.4	620.5	661.7	n.a.
\$250,000 under \$500,000 .....	141.1	184.2	367.3	489.2	500.0	n.a.
\$500,000 under \$1,000,000 .....	165.0	249.5	279.8	352.4	416.0	n.a.
\$1,000,000 or more .....			417.7	537.6	649.4	n.a.
<b>Asset size</b>						
Under \$100,000 <sup>3</sup> .....	961.0	1,177.7	1,514.6	1,833.5	2,111.5	n.a.
\$100,000 under \$1,000,000 .....	599.1	704.6	968.9	1,152.5	1,246.3	n.a.
\$1,000,000 under \$10,000,000 .....	87.0	116.4	191.8	245.4	303.8	n.a.
\$10,000,000 under \$25,000,000 .....	9.8	12.2	16.6	20.9	25.2	n.a.
\$25,000,000 under \$50,000,000 .....	3.9	5.6	7.8	10.4	11.0	n.a.
\$50,000,000 under \$100,000,000 .....	2.1	3.1	4.8	6.2	7.4	n.a.
\$100,000,000 under \$250,000,000 .....	1.4	2.1	3.2	4.4	5.8	n.a.
\$250,000,000 or more .....	1.2	1.9	2.9	4.1	5.6	n.a.
<b>PARTNERSHIPS</b>						
<b>Receipt size <sup>1,4</sup></b>						
Under \$25,000 <sup>2</sup> .....	501.7	549.7	638.0	840.1	962.6	955.6
\$25,000 under \$50,000 .....	125.2	141.0	181.8	195.5	126.0	113.5
\$50,000 under \$100,000 .....	119.6	133.7	183.6	199.5	133.4	120.1
\$100,000 under \$250,000 .....	97.2	114.0	155.2	190.1	139.9	143.7
\$250,000 under \$500,000 .....	65.2	90.6	135.6	165.5	82.5	78.5
\$500,000 under \$1,000,000 .....	17.0	25.5	48.1	66.9	52.1	49.4
\$1,000,000 or more .....	10.3	18.6	37.4	56.0	57.1	54.6
<b>Asset size <sup>5</sup></b>						
Under \$25,000 <sup>3</sup> .....	635.7	611.0	541.9	794.1	737.9 <sup>f</sup>	700.1
\$25,000 under \$50,000 .....	80.8	105.9	156.3	132.7	99.3 <sup>f</sup>	97.3
\$50,000 under \$100,000 .....	73.5	106.8	180.2	165.8	99.5 <sup>f</sup>	110.2
\$100,000 under \$250,000 .....	74.7	116.0	219.1	210.9	194.1 <sup>f</sup>	181.8
\$250,000 under \$500,000 .....	33.8	56.9	117.9	142.8	128.6 <sup>f</sup>	125.4
\$500,000 under \$1,000,000 .....	19.3	35.3	72.1	100.0	105.2 <sup>f</sup>	109.7
\$1,000,000 or more .....	18.3	41.2	92.2	167.2	188.9 <sup>f</sup>	190.8
<b>NONFARM SOLE PROPRIETORSHIPS</b>						
<b>Receipt size <sup>6</sup></b>						
Under \$2,500 <sup>3</sup> .....	1,894.3	2,299.9	2,783.1	3,067.5	3,750.1	3,985.0
\$2,500 under \$5,000 .....	815.1	959.4	1,158.6	1,444.6	1,714.5	1,704.6
\$5,000 under \$10,000 .....	891.5	1,041.7	1,262.9	1,633.6	2,011.7	2,058.8
\$10,000 under \$25,000 .....	1,137.4	1,325.7	1,711.8	2,104.6	2,719.8	2,809.7
\$25,000 under \$50,000 .....	746.4	849.5	1,079.1	1,393.9	1,660.2	1,724.8
\$50,000 under \$100,000 .....	562.0	644.5	835.6	1,094.1	1,282.1	1,327.0
\$100,000 under \$200,000 .....	297.4	380.9	795.8	1,060.2	857.2	843.2
\$200,000 under \$500,000 .....	122.3	209.2			587.0	545.4
\$500,000 under \$1,000,000 .....	20.8	35.3	73.9	89.3	142.7	122.7
\$1,000,000 or more .....	6.6	13.5	29.2	40.7	57.3	59.5

See notes following Table 21.

# Selected Historical and Other Data

**Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1970-1990**

(All figures are estimates based on samples -- money amounts are in thousands of dollars)

Item	1970	1975	1980	1985 <sup>1</sup>	1989 <sup>1</sup>	1990 <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns, total</b> .....	1,665,477	2,023,647	2,710,538	3,277,219	3,627,863	3,716,650
Number with net income.....	1,008,337	1,226,208	1,596,632	1,820,120	1,921,805	1,910,670
Consolidated returns..... <sup>1,2,3</sup>	19,871	38,307	57,890	79,598	74,243	71,769
S Corporation returns..... <sup>3,4</sup>	257,475	358,413	545,389	724,749	1,422,967	1,575,092
DISC returns..... <sup>5,6</sup>	N/A	6,431	8,665	1,383	( <sup>1</sup> )	( <sup>1</sup> )
FSC returns..... <sup>5,6</sup>	N/A	N/A	N/A	2,341	( <sup>1</sup> )	( <sup>1</sup> )
<b>Total assets</b> .....	<b>2,634,706,564</b>	<b>4,286,556,273</b>	<b>7,617,238,403</b>	<b>12,773,093,888</b>	<b>17,647,120,286</b>	<b>18,190,057,609</b>
Cash.....	176,924,573	290,426,439	528,914,747	683,204,264	823,705,622	771,086,440
Notes and accounts receivable.....	614,667,367	1,051,542,806	1,984,601,790	3,317,635,191	4,195,999,662	4,198,016,230
Less: Allowance for bad debts.....	20,030,327	31,032,998	50,057,307	61,580,335	704,026,839	110,059,993
Inventories.....	190,401,642	317,718,545	534,806,547	714,722,928	879,316,508	893,586,141
Investments in Government obligations..... <sup>7</sup>	106,222,911	176,955,397	265,542,521	916,550,098	927,940,976	921,193,216
Tax-exempt securities..... <sup>7</sup>	90,402,479	139,176,302	206,517,216	( <sup>7</sup> )	332,792,829	380,320,504
Other current assets.....	73,058,482	145,101,716	310,177,160	629,136,396	1,025,760,249	1,164,582,476
Loans to stockholders.....	4,774,082	9,355,636	29,873,250	56,761,232	81,223,634	94,866,044
Mortgage and real estate loans.....	327,593,354	548,054,483	894,323,489	1,258,672,577	1,610,211,866	1,537,899,636
Other investments.....	401,389,022	626,266,074	1,213,986,210	2,413,551,474	3,970,942,298	4,136,891,162
Depreciable assets.....	868,908,018	1,276,564,500	2,107,027,914	3,174,193,649	4,069,775,039	4,317,781,452
Less: Accumulated depreciation.....	334,646,086	483,798,526	767,841,763	1,232,072,530	1,718,268,625	1,848,022,862
Depletable assets.....	18,517,264	38,511,396	71,901,490	112,339,389	134,392,549	129,370,543
Less: Accumulated depletion.....	6,774,796	14,501,561	19,569,556	37,203,920	56,491,222	55,075,300
Land.....	46,626,157	66,819,206	92,931,935	141,448,357	191,299,047	209,579,296
Intangible assets (amortizable).....	12,818,168	12,823,183	45,480,694	145,280,625	436,136,945	491,252,807
Less: Accumulated amortization.....	5,984,184	4,491,990	18,393,037	42,505,240	82,406,932	95,754,475
Other assets.....	69,838,438	121,065,665	187,015,106	582,949,738	925,814,680	1,052,544,294
<b>Total liabilities</b> .....	<b>2,634,706,564</b>	<b>4,286,556,273</b>	<b>7,617,238,403</b>	<b>12,773,093,888</b>	<b>17,647,120,286</b>	<b>18,190,057,609</b>
Accounts payable.....	148,812,587	263,417,584	542,172,368	891,571,443	1,090,421,687	1,094,001,051
Mortgages, notes, and bonds payable in less than 1 year.....	170,884,261	272,123,551	504,802,288	1,001,337,795	1,601,540,823	1,802,732,358
Other current liabilities.....	892,218,397	1,577,425,991	2,706,796,360	4,234,983,432	5,141,333,387	5,197,682,027
Loans from stockholders.....	24,573,814	38,143,936	85,718,510	174,317,253	247,166,196	268,559,197
Mortgages, notes, and bonds payable in 1 year or more.....	362,700,303	586,703,526	986,663,932	1,699,272,481	2,490,067,919	2,665,098,250
Other liabilities.....	283,106,029	451,676,880	846,696,691	1,467,912,913	2,473,885,302	2,423,067,175
Capital stock.....	201,213,719	251,715,862	417,153,783	920,182,882	1,477,273,520	1,584,840,863
Paid-in or capital surplus.....	196,642,421	298,534,854	532,039,407	1,420,996,805	2,595,241,587	2,814,210,083
Retained earnings, appropriated.....	16,657,051	29,955,676	41,461,644	54,074,364	75,039,921	60,978,729
Retained earnings, unappropriated.....	349,225,750	537,631,026	1,027,902,049	1,311,512,589	1,447,386,971	1,349,027,584
Less: Cost of treasury stock.....	11,327,778	20,772,613	74,168,627	403,068,064	992,237,024	1,070,139,706
<b>Total receipts</b> .....	<b>1,750,776,503</b>	<b>3,198,627,860</b>	<b>6,361,284,012</b>	<b>8,398,278,426</b>	<b>10,934,973,405</b>	<b>11,409,520,074</b>
Business receipts..... <sup>9,10</sup>	1,620,886,576	2,961,729,640	5,731,616,337	7,369,538,953	9,427,277,533	9,880,441,633
Interest on State and local Government obligations.....	3,775,917	6,711,606	12,620,876	20,164,514	36,278,852	35,164,734
Other interest.....	67,794,508	136,587,304	354,243,674	617,622,425	930,912,502	942,237,940
Dividends received from domestic corporations..... <sup>8,11</sup>	5,238,421	8,818,282	18,654,800	16,967,379	15,480,200	13,413,839
Dividends received from foreign corporations..... <sup>8</sup>	3,466,515	5,467,726	14,563,353	20,770,361	33,503,834	33,261,669
Rents..... <sup>8</sup>	13,938,502	21,765,130	41,371,141	89,700,937	102,685,563	100,642,848
Royalties..... <sup>8</sup>	2,586,387	5,167,141	12,450,250	15,237,421	26,810,742	32,142,258
Net short-term capital gain reduced by net long-term capital loss.....	190,439	301,601	2,013,510	7,032,062	10,759,508	4,110,745
Net long-term capital gain reduced by net short-term capital loss..... <sup>8,9</sup>	5,481,580	8,364,523	24,910,957	53,771,685	62,471,314	50,935,859
Net gain, noncapital assets.....	5,315,562	7,757,287	20,117,615	33,537,842	34,997,162	32,275,111
Other receipts.....	22,102,096	35,957,620	128,721,498	153,934,848	253,796,196	304,893,438

# Selected Historical and Other Data

**Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1970-1990—Continued**

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

Item	1970	1975	1980	1985 <sup>1</sup>	1989 <sup>1</sup>	1990 <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total deductions</b> <sup>8</sup>	<b>1,682,778,847</b>	<b>3,052,674,597</b>	<b>6,125,365,155</b>	<b>8,158,144,126</b>	<b>10,544,705,529</b>	<b>11,032,574,630</b>
Cost of sales and operations <sup>8</sup>	1,146,263,273	2,129,928,467	4,204,905,905	4,894,254,081	6,317,467,181	6,610,769,883
Compensation of officers	32,846,381	57,832,552	108,973,751	170,737,540	197,766,376	205,403,164
Repairs	13,986,819	23,422,171	42,407,967	81,495,784	90,044,129	95,887,821
Bad debts	6,479,814	13,781,147	18,769,771	43,333,588	68,805,675	83,690,549
Rent paid on business property	23,842,355	40,769,829	71,990,832	134,661,335	173,079,979	184,771,540
Taxes paid	49,523,243	81,530,302	163,003,622	200,977,161	236,145,632	250,928,813
Interest paid	62,055,010	129,307,921	344,612,542	568,645,475	831,521,305	825,372,164
Contributions or gifts	797,029	1,202,130	2,358,554	4,471,736	4,892,920	4,752,406
Amortization	745,005	717,398	1,374,658	6,133,737	25,569,136	31,503,958
Depreciation	52,941,266	86,295,664	157,345,828	304,380,703	337,302,354	332,781,754
Depletion <sup>12</sup>	5,623,339	5,341,489	8,871,993	7,779,731	9,251,107	9,646,712
Advertising	18,089,097	26,605,786	52,266,004	91,922,667	124,432,075	126,417,097
Pension, profit-sharing, stock bonus and annuity plans <sup>12</sup>	12,225,912	26,526,129	51,529,310	49,588,712	44,159,248	42,233,693
Employee benefit programs <sup>12</sup>	7,398,283	15,690,563	40,179,104	71,601,577	109,561,360	113,320,117
Net loss, noncapital assets <sup>8,9</sup>	1,269,305	1,804,079	5,903,104	7,893,175	21,121,221	22,330,746
Other deductions <sup>12</sup>	248,672,716	411,918,970	850,872,216	1,520,267,133	1,953,585,833	2,092,764,214
<b>Total receipts less total deductions</b> <sup>8,13</sup>	<b>67,997,656</b>	<b>145,953,263</b>	<b>235,918,858</b>	<b>240,134,300</b>	<b>390,267,875</b>	<b>376,945,444</b>
Constructive taxable income from related foreign corporations	1,679,875	3,395,169	15,708,560	20,299,335	35,100,199	36,776,886
Net income (less deficit) <sup>8,13,14</sup>	65,901,614	142,636,826	239,006,542	240,119,020	389,010,675	370,632,632
Net income	83,710,924	169,483,336	296,787,201	363,867,384	556,332,401	552,526,789
Deficit <sup>8,13,14</sup>	17,809,310	26,846,510	57,780,659	123,748,365	167,321,725	181,894,157
Income subject to tax <sup>15</sup>	72,374,437	146,589,287	246,598,486	266,060,609	371,054,512	366,352,857
<b>Income tax, total</b> <sup>16</sup>	<b>33,293,018</b>	<b>66,144,308</b>	<b>105,142,436</b>	<b>111,340,839</b>	<b>127,754,021</b>	<b>128,185,666</b>
Regular and alternative tax <sup>16,17</sup>	32,949,937	65,769,822	103,831,172	109,106,358	123,236,461	119,434,430
Recapture of prior-year investment credit	77,832	217,138	867,571	1,497,597	354,889	126,600
Recapture of prior-year work incentive (WIN) credit	N/A	608	4,873	N/A	N/A	N/A
Minimum tax and alternative minimum tax <sup>18</sup>	265,249	156,740	438,820	725,878	3,540,918	8,104,269
Environmental tax	N/A	N/A	N/A	N/A	471,779	520,167
Foreign tax credit	4,548,986	19,987,724	24,879,737	24,263,487	23,996,821	24,989,922
U.S. possessions tax credit	N/A	N/A	1,572,734	2,450,583	2,793,603	3,194,481
Investment credit <sup>19</sup>	865,954	6,459,746	15,102,812	( <sup>19</sup> )	( <sup>19</sup> )	( <sup>19</sup> )
Work incentive (WIN) credit	N/A	5,321	36,483	N/A	N/A	N/A
Jobs credit <sup>19</sup>	N/A	N/A	601,444	( <sup>19</sup> )	( <sup>19</sup> )	( <sup>19</sup> )
Nonconventional source fuel credit	N/A	N/A	2	43,267	82,792	81,790
Alcohol fuel credit <sup>19</sup>	N/A	N/A	4	( <sup>19</sup> )	( <sup>19</sup> )	( <sup>19</sup> )
Research activities credit	N/A	N/A	N/A	1,627,997	( <sup>19</sup> )	( <sup>19</sup> )
Employees stock ownership credit <sup>19</sup>	N/A	N/A	N/A	( <sup>19</sup> )	N/A	N/A
Orphan drug credit	N/A	N/A	N/A	*204	14,190	15,637
General business credit <sup>19</sup>	N/A	N/A	N/A	19,607,097	3,882,728	2,833,701
Prior year minimum tax credit	N/A	N/A	N/A	N/A	836,681	667,036
<b>Distributions to stockholders:</b>						
Cash and property except in own stock	32,012,677	45,224,392	97,378,617	n.a.	n.a.	n.a.
Corporation's own stock	1,922,810	2,066,559	3,525,549	n.a.	n.a.	n.a.

See notes following Table 21.

# Selected Historical and Other Data

**Table 14.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1970-1990**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Industrial division and item	1970	1975	1980	1985 <sup>1</sup>	1989 <sup>1</sup>	1990 <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>AGRICULTURE, FORESTRY AND FISHING</b>						
Number of returns, total	37,283	56,280	80,883	103,156	123,195	126,423
Number with net income <sup>1</sup>	19,843	33,328	43,827	52,776	70,919	70,965
Total assets	11,909,403	21,177,941	40,738,977	52,651,197	63,413,253	68,338,381
Net worth	4,012,068	6,844,949	11,480,935	15,406,221	21,097,130	23,360,455
Total receipts <sup>2</sup>	14,277,707	28,118,514	52,089,915	70,491,486	86,627,044	88,101,065
Business receipts <sup>2,4</sup>	13,591,763	26,624,149	48,850,056	65,419,402	81,159,501	82,114,836
Interest received <sup>2,4</sup>	69,742	171,732	476,654	775,383	668,099	681,127
Total deductions <sup>2</sup>	14,209,713	27,369,286	51,418,280	70,559,478	85,065,088	86,883,128
Cost of sales and operations <sup>2</sup>	10,555,539	19,738,447	35,798,332	45,085,526	57,275,674	52,758,720
Interest paid	356,225	797,420	2,184,441	2,758,952	2,768,784	2,852,242
Net income (less deficit) <sup>2</sup>	65,295	746,908	673,158	-74,270	1,550,580	1,156,269
Net income <sup>2</sup>	493,400	1,493,168	2,464,381	2,930,905	4,347,165	4,328,433
Deficit <sup>2</sup>	428,105	746,260	1,791,222	3,005,175	2,796,586	3,172,164
Regular and alternative tax <sup>5</sup>	113,115	351,059	533,768	531,787	585,804	569,812
Total income tax after credits <sup>6</sup>	107,023	294,584	422,356	344,626	557,583	554,818
Distributions to stockholders except in own stock	65,824	244,524	304,733	n.a.	n.a.	n.a.
<b>MINING</b>						
Number of returns, total	14,465	14,242	25,576	41,426	41,631	39,674
Number with net income	7,303	8,297	12,698	18,031	18,756	18,436
Total assets	23,972,812	64,505,341	126,947,880	240,815,996	236,339,172	219,197,640
Net worth	13,381,821	32,765,690	54,068,148	104,772,797	126,413,627	110,339,579
Total receipts <sup>2</sup>	17,747,750	65,909,994	176,672,390	142,038,595	102,378,796	111,444,457
Business receipts <sup>2</sup>	16,699,586	63,670,496	167,397,910	126,710,610	87,977,574	97,321,579
Interest received <sup>2,4</sup>	176,728	522,757	1,301,266	3,584,890	3,706,174	3,849,674
Total deductions <sup>2</sup>	15,927,348	42,348,765	169,051,624	145,389,514	99,496,661	106,466,509
Cost of sales and operations <sup>2</sup>	9,955,600	30,171,612	116,989,880	87,972,035	56,658,030	62,070,361
Interest paid	368,032	1,166,182	3,440,080	7,789,995	6,529,206	6,674,114
Net income (less deficit) <sup>2</sup>	1,834,315	23,574,833	7,750,561	-2,543,487	3,144,686	5,302,223
Net income <sup>2</sup>	2,399,507	24,347,893	10,133,685	6,166,623	8,217,568	9,071,733
Deficit <sup>2</sup>	565,192	773,060	2,383,124	5,072,882	5,072,882	3,769,511
Regular and alternative tax <sup>5</sup>	1,031,550	11,361,037	3,947,569	1,736,952	1,494,139	1,897,245
Total income tax after credits <sup>6</sup>	342,928	1,051,138	1,674,566	557,519	1,080,476	1,348,333
Distributions to stockholders except in own stock	1,177,550	1,015,895	4,757,780	n.a.	n.a.	n.a.
<b>CONSTRUCTION</b>						
Number of returns, total	138,905	191,219	272,432	318,276	393,103	406,874
Number with net income	82,078	108,852	150,368	185,613	222,615	223,434
Total assets	42,719,792	76,691,947	132,939,026	215,297,771	249,711,210	243,829,026
Net worth	11,819,604	19,029,077	32,826,174	54,687,270	66,723,453	63,865,550
Total receipts <sup>2</sup>	90,610,644	146,955,117	267,205,356	387,232,953	517,477,336	534,654,044
Business receipts <sup>2</sup>	88,945,385	143,412,715	260,387,692	374,590,273	504,906,544	522,586,199
Interest received <sup>2,4</sup>	219,698	614,583	2,073,650	3,851,628	3,513,280	3,621,561
Total deductions <sup>2</sup>	89,070,022	144,717,309	262,116,275	382,823,113	508,788,731	527,800,795
Cost of sales and operations <sup>2</sup>	73,434,969	116,845,554	208,064,925	295,803,244	392,668,469	407,448,745
Interest paid	711,496	1,973,244	4,278,502	6,407,852	7,369,122	7,368,430
Net income (less deficit) <sup>2</sup>	1,538,418	2,236,262	5,271,209	4,370,924	8,736,930	6,824,608
Net income <sup>2</sup>	2,548,013	4,514,864	8,911,143	11,053,145	16,312,212	15,659,977
Deficit <sup>2</sup>	1,009,595	2,278,602	3,639,934	6,682,220	7,575,282	9,035,370
Regular and alternative tax <sup>5</sup>	776,979	1,320,196	2,521,507	2,243,786	2,221,113	1,983,902
Total income tax after credits <sup>6</sup>	756,637	1,131,960	1,973,659	1,662,563	2,106,624	1,906,537
Distributions to stockholders except in own stock	299,204	464,553	793,764	n.a.	n.a.	n.a.
<b>MANUFACTURING</b>						
Number of returns, total	197,807	217,354	242,550	276,545	301,346	301,669
Number with net income	120,814	136,839	153,640	159,778	173,128	167,509
Total assets	612,912,516	944,581,970	1,709,471,700	2,644,393,424	3,721,219,914	3,921,323,756
Net worth	308,923,293	442,587,674	749,186,774	1,099,645,876	1,373,491,815	1,392,233,318
Total receipts <sup>2</sup>	722,952,890	1,296,359,650	2,404,323,844	2,831,062,496	3,531,219,028	3,688,693,895
Business receipts <sup>2</sup>	700,090,661	1,258,338,650	2,301,056,550	2,656,345,750	3,276,012,925	3,434,141,360
Interest received <sup>2,4</sup>	4,748,499	8,691,092	28,315,784	47,753,626	80,088,295	81,135,811
Total deductions <sup>2</sup>	692,455,462	1,230,689,496	2,290,593,808	2,733,105,346	3,377,145,270	3,545,121,842
Cost of sales and operations <sup>2</sup>	495,879,549	925,111,030	1,707,143,900	1,797,852,805	2,257,683,863	2,377,226,499
Interest paid	12,570,242	22,055,903	54,177,356	90,452,072	147,452,397	151,214,635
Net income (less deficit) <sup>2</sup>	31,846,078	68,406,627	125,667,815	113,758,645	180,476,024	171,373,726
Net income <sup>2</sup>	37,925,489	74,466,554	141,547,510	142,541,119	216,357,256	212,936,099
Deficit <sup>2</sup>	6,079,411	6,059,927	15,879,695	28,782,474	35,881,232	41,562,373
Regular and alternative tax <sup>5</sup>	16,744,905	32,306,739	59,577,413	55,553,921	62,133,672	60,664,655
Total income tax after credits <sup>6</sup>	13,242,226	21,024,964	32,726,986	25,382,459	38,969,929	38,971,197
Distributions to stockholders except in own stock	14,616,282	19,973,061	37,306,509	n.a.	n.a.	n.a.

# Selected Historical and Other Data

**Table 14.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1970-1990--Continued**

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

Industrial division and item	1970	1975	1980	1985 <sup>1</sup>	1989 <sup>1</sup>	1990 <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>						
Number of returns, total <sup>1</sup>	67,398	80,701	111,324	138,337	156,037	160,353
Number with net income <sup>1</sup>	38,204	45,360	62,232	69,938	79,346	81,418
Total assets	287,740,207	443,236,797	758,364,400	1,246,426,899	1,474,412,864	1,522,045,738
Net worth	121,205,022	176,444,407	290,655,693	490,481,127	511,303,115	508,667,821
Total receipts <sup>2</sup>	135,495,271	243,480,637	523,807,396	772,358,188	906,501,335	936,277,062
Business receipts <sup>2</sup>	131,463,171	234,689,427	507,372,820	733,943,970	844,076,080	874,111,070
Interest received <sup>2,4</sup>	930,266	1,520,913	5,760,072	12,310,594	16,938,425	18,194,729
Total deductions <sup>2</sup>	127,931,131	233,409,166	503,954,285	747,836,158	867,556,417	900,960,832
Cost of sales and operations <sup>2</sup>	77,743,359	143,932,463	336,868,172	381,028,354	401,515,846	405,924,209
Interest paid	7,364,200	13,761,062	27,638,591	44,880,858	56,900,550	59,190,735
Net income (less deficit) <sup>2</sup>	7,543,718	10,099,571	20,046,155	25,087,629	39,073,753	35,413,596
Net income <sup>2</sup>	9,471,595	12,088,189	24,917,293	37,880,144	56,518,343	51,490,850
Deficit <sup>2</sup>	1,927,877	1,988,618	4,871,136	12,792,516	17,444,390	16,077,254
Regular and alternative tax <sup>5</sup>	4,342,334	5,107,158	10,532,722	14,881,470	16,262,986	15,228,031
Total income tax after credits <sup>6</sup>	4,036,650	2,836,470	5,322,655	8,432,924	15,664,580	15,882,038
Distributions to stockholders except in own stock	5,837,565	8,900,353	17,329,807	n.a.	n.a.	n.a.
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns, total <sup>1</sup>	518,062	614,632	799,628	917,301	1,012,980	1,023,057
Number with net income <sup>1</sup>	339,987	399,668	487,300	510,825	544,244	527,128
Total assets	192,181,800	323,496,726	646,901,005	1,009,965,739	1,390,555,774	1,447,296,828
Net worth	77,002,132	122,649,734	222,289,687	286,260,274	342,748,950	354,827,439
Total receipts <sup>2</sup>	522,547,923	969,938,872	1,955,523,778	2,473,865,453	3,184,946,370	3,308,988,336
Business receipts <sup>2</sup>	511,316,883	951,463,550	1,919,347,689	2,408,174,933	3,094,814,670	3,216,861,660
Interest received <sup>2,4</sup>	1,291,906	3,857,318	10,503,989	21,633,480	26,486,481	29,851,239
Total deductions <sup>2</sup>	512,910,193	947,511,780	1,919,454,218	2,440,403,373	3,148,816,258	3,279,066,687
Cost of sales and operations <sup>2</sup>	392,391,856	745,299,204	1,538,128,634	1,869,766,621	2,388,963,994	2,482,483,270
Interest paid	4,309,663	8,587,173	25,645,855	38,217,998	61,697,168	63,914,431
Net income (less deficit) <sup>2</sup>	9,671,044	22,489,430	38,309,671	33,126,702	36,155,437	30,094,078
Net income <sup>2</sup>	12,395,411	27,681,721	49,426,500	51,434,500	65,409,500	65,383,876
Deficit <sup>2</sup>	2,724,367	5,192,291	11,116,829	18,307,798	29,254,062	35,289,798
Regular and alternative tax <sup>5</sup>	4,476,047	8,103,316	13,515,653	16,130,885	13,266,317	10,324,360
Total income tax after credits <sup>6</sup>	4,237,181	7,348,619	10,584,358	13,396,555	12,673,766	12,615,991
Distributions to stockholders except in own stock	2,068,501	5,029,897	10,343,087	n.a.	n.a.	n.a.
<b>FINANCE, INSURANCE AND REAL ESTATE</b>						
Number of returns, total <sup>1</sup>	406,235	411,846	493,426	518,432	592,832	609,138
Number with net income <sup>1</sup>	248,586	243,409	273,853	285,273	283,023	269,667
Total assets	1,401,153,520	2,321,965,956	4,022,206,073	7,029,452,681	9,957,461,118	10,193,295,357
Net worth	196,480,448	269,770,527	530,541,317	1,161,968,009	2,028,200,908	2,142,041,011
Total receipts <sup>2</sup>	177,321,173	315,795,981	697,480,846	1,182,034,309	1,868,003,359	1,954,709,651
Business receipts <sup>2,3</sup>	92,091,887	157,126,715	256,892,475	501,993,840	855,752,870	900,908,453
Interest received <sup>2,4</sup>	83,694,046	127,040,303	315,146,115	541,268,193	826,126,038	830,451,126
Total deductions <sup>2</sup>	161,630,060	297,963,817	652,637,787	1,104,572,202	1,730,536,970	1,809,867,575
Cost of sales and operations <sup>2</sup>	48,434,362	84,614,209	129,644,330	237,577,803	487,672,748	526,244,728
Interest paid	34,548,509	77,677,659	219,167,684	363,009,417	521,868,248	506,921,011
Net income (less deficit) <sup>2</sup>	12,214,079	11,663,330	33,122,792	60,670,526	108,907,351	109,901,881
Net income <sup>2</sup>	15,081,939	18,825,003	46,040,390	90,546,934	155,238,423	158,458,842
Deficit <sup>2</sup>	2,867,860	7,161,673	12,917,599	29,876,408	46,331,072	48,556,962
Regular and alternative tax <sup>5</sup>	4,404,449	5,558,647	9,680,755	13,369,981	21,692,353	20,709,720
Total income tax after credits <sup>6</sup>	4,150,009	4,673,705	7,699,628	10,193,877	20,146,630	20,511,294
Distributions to stockholders except in own stock	7,387,211	8,729,977	24,692,146	n.a.	n.a.	n.a.
<b>SERVICES</b>						
Number of returns, total <sup>1</sup>	281,218	435,672	671,338	939,390	989,850	1,029,447
Number with net income <sup>1</sup>	150,525	249,641	408,716	529,337	525,229	546,268
Total assets	61,875,140	90,534,067	178,163,737	330,982,941	552,132,138	572,842,266
Net worth	19,529,062	26,855,374	52,865,513	89,852,365	132,375,217	143,154,346
Total receipts <sup>2</sup>	69,572,626	131,377,364	279,883,187	534,587,609	735,497,193	779,329,609
Business receipts <sup>2</sup>	66,459,515	125,747,462	266,088,619	497,980,990	680,350,095	726,041,364
Interest received <sup>2,4</sup>	435,070	875,506	3,269,412	6,561,301	9,649,922	9,526,124
Total deductions <sup>2</sup>	68,384,452	127,996,443	271,792,974	528,685,613	724,922,705	769,035,909
Cost of sales and operations <sup>2</sup>	37,733,747	63,724,869	129,352,692	176,070,808	273,531,298	290,965,307
Interest paid	1,802,802	3,279,438	8,033,612	15,027,259	26,858,974	27,188,190
Net income (less deficit) <sup>2</sup>	1,198,703	3,396,744	8,193,903	5,883,782	11,020,194	10,616,792
Net income <sup>2</sup>	3,384,869	6,025,592	13,246,601	21,124,460	33,839,910	34,850,560
Deficit <sup>2</sup>	2,186,166	2,628,848	5,052,698	15,240,678	22,819,716	24,233,768
Regular and alternative tax <sup>5</sup>	1,058,264	1,625,093	3,497,265	4,621,875	5,563,239	5,041,377
Total income tax after credits <sup>6</sup>	1,003,130	1,323,637	2,603,370	3,343,830	4,930,443	4,597,561
Distributions to stockholders except in own stock	558,452	855,402	1,841,945	n.a.	n.a.	n.a.

See notes following Table 21.

## Selected Historical and Other Data

**Table 15.--Corporation Profits Before Taxes per National Income and Product Accounts (NIPA) and per SOI, and Income Subject to Tax per SOI, Income Years 1960-1992**

[All figures are estimates--money amounts are in billion of dollars]

Income year	Profits before taxes (per NIPA) <sup>1</sup>	Net income (less deficit) (per SOI) <sup>2</sup>	Income subject to tax (per SOI) <sup>3</sup>
	(1)	(2)	(3)
1960.....	51.1	43.5	47.2
1961.....	51.0	45.9	47.9
1962.....	56.4	49.6	51.7
1963.....	61.2	54.3	54.3
1964.....	68.0	61.6	60.4
1965.....	78.8	73.9	70.8
1966.....	85.1	80.5	77.1
1967.....	81.8	78.2	74.8
1968.....	90.6	86.0	81.4
1969.....	89.0	80.2	81.2
1970.....	78.4	65.9	72.4
1971.....	90.1	79.7	83.2
1972.....	104.5	96.8	95.1
1973.....	130.9	120.4	115.5
1974.....	142.8	148.2	144.0
1975.....	140.4	142.6	146.6
1976.....	173.7	185.4	183.5
1977.....	203.3	219.2	212.5
1978.....	237.9	246.9	239.6
1979.....	261.4	284.6	279.4
1980.....	240.9	239.0	246.6
1981.....	228.9	213.6	241.5
1982.....	176.3	154.3	205.2
1983.....	210.7	188.3	218.7
1984.....	240.5	232.9	257.1
1985.....	225.0	240.1	266.1
1986.....	217.8	269.5	276.2
1987.....	287.9	328.2	311.8
1988.....	347.5	413.0	383.2
1989.....	342.9	389.0	371.1
r1990.....	365.7	370.6	366.4
r1991.....	362.3	n.a.	n.a.
p1992.....	395.4	n.a.	n.a.

See notes following Table 21.

# Selected Historical and Other Data

**Table 16.—Estate Tax Returns as a Percentage of Adult Deaths, Selected Years of Death, 1934-1989**

[Starting with 1956, number of returns are estimates based on samples]

Selected year of death <sup>1</sup>	Total adult deaths <sup>1</sup>	Taxable estate reported on estate tax returns <sup>2</sup>	
		Number	Percentage of adult deaths
	(1)	(2)	(3)
1934.....	983,970	8,655	0.88
1935.....	1,172,245	9,137	0.78
1936.....	1,257,290	12,010	0.96
1937.....	1,237,585	13,220	1.07
1938.....	1,181,275	12,720	1.08
1939.....	1,205,072	12,907	1.07
1940.....	1,237,186	13,336	1.08
1941.....	1,216,855	13,493	1.11
1942.....	1,211,391	12,726	1.05
1943.....	1,277,009	12,154	0.95
1944.....	1,238,917	13,869	1.12
1946.....	1,239,713	18,232	1.47
1947.....	1,278,856	19,742	1.54
1948.....	1,283,601	17,469	1.36
1949.....	1,285,684	17,411	1.35
1950.....	1,304,343	18,941	1.45
1953.....	1,237,741	24,997	2.02
1954.....	1,332,412	25,143	1.89
1956.....	1,289,193	32,131	2.49
1958.....	1,358,375	38,515	2.84
1960.....	1,426,148	45,439	3.19
1962.....	1,483,846	55,207	3.72
1965.....	1,578,813	67,404	4.27
1969.....	1,796,055	93,424	5.20
1972.....	1,854,146	120,761	6.51
1976.....	1,819,107	139,115	7.65
1981.....	1,898,067	41,620	2.19
1982.....	1,897,820	35,148	1.86
1983.....	1,945,913	31,507	1.62
1984.....	1,968,128	30,518	1.55
1985.....	2,015,070	23,731	1.18
1986.....	2,033,978	21,335	1.05
1987.....	2,053,084	18,948	0.92
1988.....	2,096,704	20,695	0.99
1989.....	2,079,035	23,104	1.11

See notes following Table 21.

# Selected Historical and Other Data

**Table 17.—Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-1993**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes <sup>2</sup>	Excise taxes <sup>3</sup>	Employment taxes <sup>4</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1987, TOTAL</b> .....	<b>886,290</b>	<b>465,452</b>	<b>102,859</b>	<b>33,311</b>	<b>277,000</b>	<b>7,668</b>
October 1986 - December 1986.....	180,580	92,346	22,466	8,281	55,615	1,872
January 1987 - March 1987.....	209,032	105,483	22,649	7,925	71,156	1,819
April 1987 - June 1987.....	285,477	164,008	29,748	8,493	81,139	2,089
July 1987 - September 1987.....	211,201	103,615	27,996	8,612	69,090	1,888
<b>FISCAL YEAR 1988, TOTAL</b> .....	<b>945,459</b>	<b>473,667</b>	<b>109,683</b>	<b>36,286</b>	<b>318,039</b>	<b>7,784</b>
October 1987 - December 1987.....	200,033	97,479	24,828	9,413	66,500	1,813
January 1988 - March 1988.....	222,721	111,215	22,006	7,578	80,161	1,761
April 1988 - June 1988.....	298,865	160,018	35,991	9,240	91,426	2,190
July 1988 - September 1988.....	223,840	104,955	26,858	10,055	79,952	2,020
<b>FISCAL YEAR 1989, TOTAL</b> .....	<b>1,023,421</b>	<b>515,732</b>	<b>117,015</b>	<b>36,076</b>	<b>345,625</b>	<b>8,973</b>
October 1988 - December 1988.....	216,133	104,522	29,551	9,272	70,632	2,156
January 1989 - March 1989.....	238,290	114,475	20,760	8,504	92,587	1,964
April 1989 - June 1989.....	333,964	180,947	40,825	9,386	100,077	2,729
July 1989 - September 1989.....	235,034	115,788	25,879	8,914	82,329	2,124
<b>FISCAL YEAR 1990, TOTAL</b> .....	<b>1,066,515</b>	<b>540,228</b>	<b>110,017</b>	<b>37,289</b>	<b>367,219</b>	<b>11,762</b>
October 1989 - December 1989.....	222,859	110,077	26,390	8,966	74,982	2,444
January 1990 - March 1990.....	251,913	127,277	21,433	8,044	92,866	2,291
April 1990 - June 1990.....	343,951	181,180	37,398	10,808	110,281	4,284
July 1990 - September 1990.....	247,792	121,694	24,796	9,471	89,088	2,743
<b>FISCAL YEAR 1991, TOTAL</b> .....	<b>1,099,124</b>	<b>546,877</b>	<b>113,598</b>	<b>42,578</b>	<b>384,451</b>	<b>11,473</b>
October 1990 - December 1990.....	242,881	118,047	29,248	9,135	83,646	2,735
January 1991 - March 1991.....	256,949	119,891	22,974	9,820	101,569	2,618
April 1991 - June 1991.....	338,469	181,949	35,953	10,967	106,426	3,173
July 1991 - September 1991.....	260,825	126,990	25,423	12,656	92,810	2,947
<b>FISCAL YEAR 1992, TOTAL</b> .....	<b>1,120,799</b>	<b>557,723</b>	<b>117,951</b>	<b>46,919</b>	<b>400,081</b>	<b>11,479</b>
October 1991 - December 1991.....	246,273	117,980	28,571	11,822	88,749	2,735
January 1992 - March 1992.....	264,161	136,220	19,751	10,963	97,425	2,606
April 1992 - June 1992.....	345,447	173,437	41,930	11,757	118,503	3,266
July 1992 - September 1992.....	264,918	130,086	27,699	12,377	95,404	2,872
<b>FISCAL YEAR 1993</b>						
October 1992 - December 1992.....	258,823	124,812	30,324	11,877	92,284	3,015
January 1993 - March 1993.....	282,851	154,596	21,124	11,388	96,042	2,772
April 1993 - June 1993.....	353,737	168,977	47,920	12,182	120,767	3,891

See notes following Table 21.

# Selected Historical and Other Data

**Table 18.--Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-1993**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes <sup>2</sup>	Excise taxes <sup>3</sup>	Employment taxes <sup>4</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1987, TOTAL</b> .....	<b>96,969</b>	<b>73,583</b>	<b>19,891</b>	<b>1,381</b>	<b>1,900</b>	<b>214</b>
October 1986 - December 1986.....	8,668	3,406	4,789	111	312	50
January 1987 - March 1987.....	28,422	22,198	5,296	479	1,393	56
April 1987 - June 1987.....	50,063	42,858	5,948	332	1,869	57
July 1987 - September 1987.....	9,816	5,121	3,858	459	326	52
<b>FISCAL YEAR 1988, TOTAL</b> .....	<b>94,480</b>	<b>74,399</b>	<b>16,477</b>	<b>1,114</b>	<b>2,263</b>	<b>227</b>
October 1987 - December 1987.....	7,701	3,437	3,727	207	275	55
January 1988 - March 1988.....	27,798	21,744	5,248	198	553	55
April 1988 - June 1988.....	49,202	43,769	3,848	421	1,114	50
July 1988 - September 1988.....	9,776	5,449	3,654	288	321	67
<b>FISCAL YEAR 1989, TOTAL</b> .....	<b>93,613</b>	<b>73,597</b>	<b>14,921</b>	<b>2,054</b>	<b>2,771</b>	<b>269</b>
October 1988 - December 1988.....	8,380	3,362	4,461	118	359	80
January 1989 - March 1989.....	32,041	26,759	4,462	182	570	67
April 1989 - June 1989.....	43,538	38,895	3,849	350	381	63
July 1989 - September 1989.....	9,654	4,581	2,149	1,404	1,461	59
<b>FISCAL YEAR 1990, TOTAL</b> .....	<b>99,656</b>	<b>76,065</b>	<b>18,324</b>	<b>2,261</b>	<b>2,677</b>	<b>329</b>
October 1989 - December 1989.....	8,487	3,094	4,605	300	409	79
January 1990 - March 1990.....	37,121	31,367	4,922	342	423	67
April 1990 - June 1990.....	43,308	36,952	4,209	549	1,492	106
July 1990 - September 1990.....	10,740	4,652	4,588	1,070	353	77
<b>FISCAL YEAR 1991, TOTAL</b> .....	<b>104,380</b>	<b>82,877</b>	<b>17,440</b>	<b>1,188</b>	<b>2,471</b>	<b>404</b>
October 1990 - December 1990.....	8,284	3,367	4,148	344	323	102
January 1991 - March 1991.....	38,020	32,811	4,286	293	538	92
April 1991 - June 1991.....	47,962	41,638	4,748	226	1,249	101
July 1991 - September 1991.....	10,114	5,061	4,258	325	361	109
<b>FISCAL YEAR 1992, TOTAL</b> .....	<b>113,108</b>	<b>88,624</b>	<b>19,688</b>	<b>1,997</b>	<b>2,398</b>	<b>401</b>
October 1991 - December 1991.....	10,072	3,607	5,639	379	346	101
January 1992 - March 1992.....	44,657	38,183	5,750	201	430	93
April 1992 - June 1992.....	47,817	42,231	4,596	476	399	115
July 1992 - September 1992.....	10,562	4,603	3,703	941	1,223	92
<b>FISCAL YEAR 1993</b>						
October 1992 - December 1992.....	7,891	3,081	4,190	208	324	88
January 1993 - March 1993.....	37,213	31,503	4,971	239	396	104
April 1993 - June 1993.....	39,325	35,353	3,195	290	397	90

See notes following Table 21.

# Selected Historical and Other Data

**Table 19.--Excise Taxes by Specified Fiscal Years, 1970-1992**

[Money amounts are in thousands of dollars]

Selected class of tax	Taxes reported by fiscal year					
	1970	1975	1980	1985	1991	1992
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALCOHOL AND TOBACCO TAXES, TOTAL</b> <sup>1</sup>	<b>6,840,594</b>	<b>7,665,948</b>	<b>8,151,184</b>	<b>9,881,293</b>	<b>12,125,900</b>	<b>13,353,696</b>
Distilled spirits .....	3,469,508	3,851,837	3,927,235	3,501,559	3,763,058	3,889,720
Wine .....	180,353	172,440	211,493	305,339	499,037	615,696
Beer .....	1,076,148	1,305,034	1,545,441	1,569,726	2,964,591	3,402,057
Cigarettes and cigars .....	2,092,935	2,312,342	2,442,357	4,473,210	4,781,936	5,189,516
<b>MANUFACTURERS EXCISE TAXES, TOTAL</b> .....	<b>6,683,061</b>	<b>5,516,611</b>	<b>6,487,421</b>	<b>10,020,574</b>	<b>14,223,212</b>	<b>16,642,890</b>
Gasoline and gasohol <sup>2</sup> .....	3,517,586	4,071,465	4,326,549	9,062,630	13,001,336	15,465,988
Tires, tubes and tread rubber <sup>3</sup> .....	614,795	697,660	682,624	242,923	284,360	279,852
Motor vehicles, bodies, parts <sup>4</sup> .....	1,753,327	662,556	1,088,696	N/A	N/A	N/A
Recreational products .....	53,427	84,946	136,521	166,666	145,877	242,401
Coal .....	N/A	N/A	251,288	548,356	630,700	630,600
<b>SPECIAL FUELS AND RETAIL TAXES, TOTAL</b> <sup>5</sup> .....	<b>257,820</b>	<b>404,187</b>	<b>560,144</b>	<b>3,802,608</b>	<b>4,753,159</b>	<b>5,237,506</b>
Diesel and special motor fuels .....	257,712	370,489	512,718	2,430,165	3,690,518	4,198,979
Truck and trailer chassis and bodies .....	N/A	N/A	N/A	1,289,750	926,381	904,861
<b>MISCELLANEOUS EXCISE TAXES, TOTAL</b> .....	<b>2,084,730</b>	<b>3,306,077</b>	<b>6,359,198</b>	<b>11,044,833</b>	<b>9,903,242</b>	<b>10,871,808</b>
Telephone and teletype .....	1,469,562	2,023,744	1,117,834	2,307,607	2,952,522	3,173,000
Air transportation .....	250,802	850,567	1,748,837	2,589,818	4,299,627	4,661,757
Highway use .....	135,086	207,663	263,272	456,143	593,123	596,167
Policies issued by foreign insurers .....	8,614	19,458	74,630	73,494	69,800	116,822
Exempt organization net investment income .....	N/A	63,828	65,280	136,153	182,997	204,780
Crude oil windfall profit <sup>6</sup> .....	N/A	N/A	3,051,719	5,073,159	-425,106	-259,625
Environmental taxes <sup>7</sup> .....	N/A	N/A	N/A	272,957	1,729,459	1,675,294

Selected class of tax	Taxes reported by fiscal year quarter ending--					
	Sept. 1991	Dec. 1991	March 1992	June 1992	Sept. 1992	Dec. 1992
	(7)	(8)	(9)	(10)	(11)	(12)
<b>ALCOHOL AND TOBACCO TAXES, TOTAL</b> <sup>1</sup>	<b>3,218,909</b>	<b>3,548,782</b>	<b>2,777,001</b>	<b>3,410,142</b>	<b>3,478,119</b>	<b>3,452,635</b>
Distilled spirits .....	906,297	1,140,621	810,463	971,647	966,989	1,096,035
Wine .....	149,320	178,434	131,029	156,222	150,011	178,641
Beer .....	892,367	816,852	731,598	928,830	924,777	766,438
Cigarettes and cigars .....	1,215,718	1,408,141	1,101,116	1,383,566	1,296,693	1,408,572
<b>MANUFACTURERS EXCISE TAXES, TOTAL</b> .....	<b>4,095,723</b>	<b>4,163,568</b>	<b>4,132,125</b>	<b>4,122,928</b>	<b>4,224,969</b>	<b>4,311,911</b>
Gasoline and gasohol .....	3,808,765	3,852,821	3,867,168	3,820,232	3,925,767	4,000,154
Tires, tubes and tread rubber <sup>3</sup> .....	67,890	79,496	56,429	70,000	73,927	80,388
Recreational products <sup>4</sup> .....	24,909	53,790	49,890	69,279	69,442	58,601
Coal .....	156,100	162,100	155,200	159,600	154,400	156,972
<b>SPECIAL FUELS AND RETAIL TAXES, TOTAL</b> <sup>5</sup> .....	<b>1,353,966</b>	<b>1,294,641</b>	<b>1,087,991</b>	<b>1,242,427</b>	<b>1,401,959</b>	<b>1,366,809</b>
Diesel and special motor fuels .....	1,093,504	1,044,394	1,055,937	989,722	1,108,926	1,056,174
Truck and trailer chassis and bodies .....	224,960	218,661	216,800	213,300	256,100	267,081
<b>MISCELLANEOUS EXCISE TAXES, TOTAL</b> .....	<b>2,752,737</b>	<b>2,565,390</b>	<b>2,726,675</b>	<b>2,584,633</b>	<b>2,974,017</b>	<b>2,724,224</b>
Telephone and teletype .....	752,200	807,100	763,000	781,900	789,400	845,100
Air transportation .....	1,159,109	1,175,434	1,160,000	1,164,855	1,161,814	1,176,748
Highway use .....	312,694	41,417	149,933	103,085	301,732	59,000
Policies issued by foreign insurers .....	26,700	28,293	28,165	28,654	31,710	30,000
Exempt organization net investment income .....	55,502	22,402	41,356	76,946	63,508	41,619
Crude oil windfall profit <sup>6</sup> .....	-186,582	-67,267	-1,552	-145,915	-44,891	-365
Environmental taxes <sup>7</sup> .....	464,811	399,051	395,046	406,606	474,591	400,902

See notes following Table 21.

# Selected Historical and Other Data

**Table 20.--Selected Returns and Forms Filed or to be Filed by Type During Specified Calendar Years, 1970-1993**

Type of return or form	Number filed in calendar year--						
	1970	1975	1980	1985	1990	1992	1993 (Projected)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Individual income<sup>1</sup></b>	<b>77,281,384</b>	<b>84,026,785</b>	<b>93,196,076</b>	<b>99,704,246</b>	<b>112,596,000</b>	<b>115,047,344</b>	<b>115,426,600</b>
Form 1040	77,143,251	61,450,279	55,360,030	64,010,068	74,488,600	75,653,700	72,950,900
Nonbusiness	68,129,351	51,377,153	43,957,141	49,873,300	58,318,300	58,618,050	55,625,300
Business	9,013,900	10,073,126	11,402,889	14,136,768	16,170,200	17,035,650	17,325,600
Schedule C	6,351,304	7,438,968	8,944,298	11,767,348	14,149,000	15,065,700	15,322,800
Schedule F	2,662,596	2,634,158	2,458,591	2,369,420	2,021,300	1,969,950	2,002,800
Form 1040A	N/A	22,462,776	37,692,282	18,779,084	18,380,000	20,398,300	20,243,600
Form 1040EZ	N/A	N/A	N/A	16,739,767	19,436,400	17,185,500	16,919,300
Form 1040PC	N/A	N/A	N/A	N/A	N/A	1,481,410	4,906,800
Other	138,133	113,730	143,764	175,327	291,000	328,434	406,000
<b>Corporation income<sup>2</sup></b>	<b>1,772,600</b>	<b>2,132,758</b>	<b>2,675,704</b>	<b>3,437,249</b>	<b>4,319,500</b>	<b>4,517,950</b>	<b>4,605,100</b>
Forms 1120	1,523,664	1,762,920	2,115,542	2,432,265	2,334,600	2,248,538	2,188,200
Form 1120A	N/A	N/A	N/A	199,665	332,000	338,312	355,200
Form 1120S	248,936	367,219	528,070	736,945	1,536,100	1,805,291	1,930,600
Other	-	2,619	32,092	68,374	116,800	125,809	131,100
<b>Partnership, Form 1065</b>	<b>991,904</b>	<b>1,132,839</b>	<b>1,401,567</b>	<b>1,755,339</b>	<b>1,750,900</b>	<b>1,608,727</b>	<b>1,570,900</b>
<b>Fiduciary, Forms 1041 and 1041S<sup>3</sup></b>	<b>1,149,445</b>	<b>1,564,200</b>	<b>1,881,800</b>	<b>2,124,969</b>	<b>2,680,900</b>	<b>2,888,094</b>	<b>2,933,982</b>
<b>Estate Tax, Forms 706 and 706NA</b>	<b>141,156</b>	<b>225,827</b>	<b>147,303</b>	<b>80,768</b>	<b>60,810</b>	<b>69,949</b>	<b>75,000</b>
<b>Gift Tax, Form 709</b>	<b>146,338</b>	<b>273,184</b>	<b>214,789</b>	<b>97,720</b>	<b>147,700</b>	<b>170,477</b>	<b>205,300</b>
<b>Exempt Organization<sup>5</sup></b>	<b>387,469</b>	<b>403,809</b>	<b>442,607</b>	<b>454,097</b>	<b>487,400</b>	<b>538,114</b>	<b>550,200</b>
Forms 990 (and 990EZ)	377,030	346,627	362,632	365,506	359,700	396,546	405,300
Form 990-PF	N/A	29,637	33,137	32,005	44,700	48,223	49,400
Form 990-T	5,046	19,683	23,455	26,181	39,100	43,992	44,300
Forms 990C, 4720, and 5227	5,393	7,862	23,383	30,405	43,900	49,353	51,200

See notes following Table 21.

**Table 21.--Taxpayers Receiving Assistance, Paid and Unpaid, Tax Years 1987-1992**

(Some estimates based on samples--all amounts are in thousands of dollars)

Type of assistance	Tax year				
	1988	1989	1990	1991	1992
	(1)	(2)	(3)	(4)	(5)
<b>Returns with paid preparer signature:<sup>1</sup></b>					
All returns	51,507	52,808	54,499	55,711	n.a.
1040EZ	887	725	648	667	n.a.
1040A	4,290	3,885	4,801	4,695	n.a.
1040, total	46,330	48,197	49,049	50,348	n.a.
1040 Business, total	11,570	12,092	10,723	12,657	n.a.
Nonfarm	9,981	10,371	9,025	10,986	n.a.
Farm	1,590	1,721	1,697	1,671	n.a.
1040 Nonbusiness, total	34,759	36,105	36,629	37,691	n.a.
With itemized deductions	14,929	17,002	17,249	17,749	n.a.
Without itemized deductions	19,831	19,103	19,380	19,942	n.a.
Electronically filed <sup>2</sup>	n.a.	n.a.	4,715	7,448	n.a.
<b>Assistance provided by IRS:<sup>3</sup></b>					
Telephone inquiries	36,982	33,906	35,100	34,951	34,035
Recorded telephone information	27,812	22,178	28,880	32,334	29,088
Office walk-ins, information	7,008	7,104	7,173	7,247	6,520
Written inquiries	187	172	188	202	152
Special programs:					
Community classes and seminars (taxpayers assisted)	952	722	924	711	677
Volunteer Income Tax Assistance (VITA) (returns prepared)	404	466	401	403	388
Tax Counseling for the Elderly (returns prepared)	419	448	496	516	493

See notes on following page.

## Notes to Selected Historical and Other Data Tables

### General notations and statement

N/A - Not applicable.

n.a. - Not available.

p - Preliminary.

r - Revised.

\* - Estimate should be used with caution because of the small number of sample returns on which it is based. See "Appendix—SOI Sampling Methodology and Data Limitations."

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

Detail may not add to totals because of rounding.

### Table 1

- [1] Less deficit. Starting with 1987, data are not comparable with earlier years because of major changes in the law, many of which are referred to in other footnotes.
- [2] Not included in AGI.
- [3] Starting with 1987, represents total dividends; previously, represented total dividends after statutory exclusion.
- [4] Starting with 1987, losses are after "passive loss" limitation.
- [5] Starting with 1987, represents total capital gains; previously, represented total capital gains after statutory exclusion. For other changes affecting capital gains, see *Statistics of Income—Individual Income Tax Returns*, various years.
- [6] Before 1980 and starting again after 1987, excludes Individual Retirement Arrangement (IRA) distributions; for intervening years, pensions and IRA distributions in AGI were reported together on the tax return. Effective during 1986, the more liberal of the two methods of computing the nontaxable portion of pensions and annuities (representing taxpayer contributions to certain pension plans) was repealed.
- [7] Starting with 1987, represents total unemployment compensation; previously, all or part was excludable under certain conditions.
- [8] Excludes sole proprietorship (including farm) rental income or loss. Starting with 1987, rental losses are before "passive loss" limitation and, therefore, exceed

the amount included in AGI.

- [9] Excludes certain royalties included in computations of capital gain or loss and of ordinary gain or loss, sales of noncapital assets.
- [10] Prior to 1981, amounts for net income are actually for net income (less loss). Net income and loss were not separately tabulated. Also, for these years, the number of returns shown with net income was rounded to millions during processing; the more exact number was not tabulated.
- [11] See footnote 4.
- [12] See footnote 10.
- [13] See footnote 4.
- [14] Includes adjustments not shown separately in Table 1. Starting with 1987, excludes employee moving and certain other business-related expenses, deduction for married two-earner couples and certain alimony payments, but includes self-employed health insurance deduction; see also footnote 14. Starting with 1990, includes new deduction for one-half of self-employment (social security) tax. For changes in adjustments for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [15] Deductible Individual Retirement Arrangement (IRA) contributions, reflected in adjustment statistics starting with 1980, were limited starting with 1987.
- [16] Includes exemptions for blindness repealed effective 1987. Deduction for exemptions was limited for higher-income taxpayers starting with 1991. Exemption amounts were indexed for inflation starting with 1985 and were limited for certain high-income taxpayers starting with 1987.
- [17] In general, represents the sum of standard and itemized deductions. For 1980 and 1985 data, includes total itemized deductions before subtraction of "zero bracket amount," plus, for non-itemized deduction returns, the zero bracket amount and, for 1985 data only, charitable contributions deduction. Starting with 1987, includes revised itemized deductions (see also footnotes 19-22), "basic" standard deduction and "additional" standard deductions for age 65 and over or for blindness (for changes in the standard deduction and its relation to the zero bracket amount, see *Statistics of Income—Individual Income Tax*

## Notes to Selected Historical and Other Data Tables

Returns for appropriate years). Statistics for 1987-1989 exclude zero bracket amount reported on the small number of prior-year returns filed in 1988-1990, respectively.

- [18] For 1980 and 1985 data, represents "zero bracket amount" used on returns of non-itemizers; see also footnote 23. Zero bracket amount for 1985 and standard deduction starting with 1986 were indexed for inflation. Statistics for 1987-1989 exclude zero bracket amount reported on the small number of prior-year returns filed in 1988-1990, respectively.
- [19] Includes itemized deductions not shown separately in Table 1, including revised deductions, starting with 1987, for miscellaneous expenses after limitation and for employee moving expenses; see also footnotes 20-22. In general, total itemized deductions and most component deductions were limited for certain high-income taxpayers, starting with 1991. For changes in deductions for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [20] Deductible medical and dental expenses were limited, starting with 1987, based on a revised percentage of AGI. For changes in the deduction for 1987 and earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [21] Starting with 1987, State sales taxes were no longer deductible.
- [22] Starting with 1987, deductions for "personal" interest and mortgage real estate loan interest were limited and, starting with 1991, personal interest was no longer deductible.
- [23] For 1980 and 1985 data, taxable income includes the "zero bracket amount," repealed effective 1987 and partially replaced by standard deductions which were subtracted in computing taxable income. A standard deduction was similarly used prior to 1980. For the percentages of AGI used for the standard deduction and the limitation on the deduction, see *Statistics of Income—Individual Income Tax Returns*.
- [24] Different tax rate structures applied to Tax Years 1970, 1971-1978, 1979-1980, 1981, 1982, 1983, 1984, 1985-1986, 1987 and 1988-1991. Indexing of tax rate boundaries for inflation was introduced starting with 1985. Preferential maximum tax rates on long-term capital gains (under "alternative tax") were redefined over the years; alternative tax was abolished effective 1987, but a maximum capital gains rate slightly less than the maximum regular rate continued to apply under certain conditions for 1988-1989 and, again, starting with 1991. For additional information on changes affecting tax computations, see *Statistics of Income—Individual Income Tax Returns* for the years concerned.
- [25] For 1970, includes tax surcharge of \$2,018,078,000.
- [26] Includes credits not shown separately in Table 1, such as the political contributions credit (repealed effective 1987), earned income credit (liberalized starting with 1987 and 1991) and low-income housing credit (introduced effective 1987); see also footnote 27. For changes in credits allowed for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [27] Investment credit was included in the more-inclusive general business tax credit starting with 1984. With exceptions, investment credit was repealed effective 1986.
- [28] Includes income tax after credits and additional tax for tax preferences, i.e. "minimum tax" or "alternative minimum tax" (see footnote 29).
- [29] The add-on "minimum tax" on "tax preferences" (chief among which were long-term capital gains) was introduced starting with 1970. (This tax was formerly described in *Statistics of Income* as the "additional tax for tax preferences.") The minimum tax computation, using a base related to taxable income, was revised and the tax rate increased effective 1976. The number of preferences subject to tax was also revised effective 1976 and 1981. Starting with 1979, two major preferences formerly subject to minimum tax (including long-term capital gains) were subjected, instead, to the new "alternative minimum tax" (AMT) which required taxpayers to pay the larger of the regular income tax or AMT. Computation of AMT was revised effective 1980 (to allow tax to be reduced by certain credits) and, again, effective 1981 (to modify the graduated rate structure). Minimum tax was abolished effective 1983 and many of the tax preferences subject to this tax subjected, instead, to a revised AMT. AMT was increased starting with 1983 by introduction of a single tax rate which replaced the two graduated rates that were lower; the single rate was increased effective 1987 and 1991. (Preferential tax treatment of long-term capital gains was removed effective 1987, and the gains exempted from AMT as a result.)

## Notes to Selected Historical and Other Data Tables

[30] Includes refunds and credits to the following year's estimated tax, and refundable portion of earned income credit. Reflects overpayments of income tax, tax recapture of certain prior-year tax credits, tax applicable to Individual Retirement Arrangements (IRA's), self-employment (social security) tax, social security tax on certain tip income and certain other income-related taxes (for the taxes applicable to the years shown, see *Statistics of Income—Individual Income Tax Returns*).

[31] Reflects taxes mentioned in footnote 30.

SOURCE: *Statistics of Income—Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 2

- [1] Includes returns with adjusted gross deficit.
- [2] U.S. totals in Table 2 do not agree with Tables 1 and 3 mostly because Table 2 also includes (a) "substitutes for returns," whereby the Internal Revenue Service "constructs" returns for certain known nonfilers on the basis of available information and imposes an income tax on the resulting estimate of "taxable income," and (b) returns of nonresident or departing aliens. In addition, for purposes of Table 3:
- "Number of exemptions" also includes responses of taxpayers who checked the boxes on their tax return for age 65 or over or for blindness in order to claim the additional standard deductions for age or blindness. This treatment enables some comparability to be maintained between State data starting with 1987 and data for years prior to 1987. Number of exemptions are still understated, however, because these boxes are not checked if taxpayers itemize deductions. (Prior to 1987, checking these boxes entitled taxpayers to additional personal exemptions.)
  - "Itemized deductions" includes any amounts reported by the taxpayer, even if they were not used in computing taxable income, e.g., amounts reported on returns with no adjusted gross income.
  - "Total tax liability" includes income tax after credits, alternative minimum tax, tax recapture of prior-year investment or low-income housing credits, tax applicable to Individual Retirement

Arrangements (IRA's), self-employment (social security) tax, social security tax on certain tip income and certain other income-related taxes. Total tax liability is before reduction by earned income credit (see footnotes 2(d) and 3, below).

d. "Earned income credit" includes both the refundable and nonrefundable portions. The nonrefundable portion could reduce income tax and certain related taxes to zero. See also footnote 3.

[3] "Excess earned income credit" represents the refundable portion of the credit (see footnote 2(d)) and equals the amount in excess of total tax liability (defined in footnote 2(c)), including any advance earned income credit payments for those returns which had such an excess.

[4] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by members of the armed forces stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside of Puerto Rico or with income earned as U.S. Government employees.

NOTE: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1992. Data have not been edited for *Statistics of Income* purposes.

SOURCE: Internal Revenue Service, Corporate Systems Division, Individual Systems Branch.

### Table 3

- [1] There were major changes in filing requirements and conceptual changes in the definitions of adjusted gross income (AGI) and taxable income starting with 1987. Percentages based on AGI starting with 1987 are therefore not comparable with 1986 and earlier years. For explanations, see "Individual Income Tax Returns, Preliminary Data, 1987," *Statistics of Income Bulletin*, Spring 1989, Volume 8, Number 4, and *Statistics of Income—1987, Individual Income Tax Returns*.
- [2] Includes income tax after credits and the "alternative minimum tax" (see footnote 3).
- [3] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in adjusted gross income or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax") defined in footnote 29, Table 1.

## Notes to Selected Historical and Other Data Tables

SOURCE: *Statistics of Income—Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 4

- [1] Represents "income" from owner-occupied nonfarm housing (less actual rental income and subsidies); proprietors' income; services to individuals furnished without payment by financial intermediaries (except life insurance carriers and private non-insured pension plans); employment-related food to employees, including military and domestic service; standard military clothing issued to military personnel; and employees' lodging.
- [2] Imputed interest received by persons from life insurance carriers and private non-insured pension plans.
- [3] Starting with 1990 the estimating methodology for depreciation was revised.
- [4] Represents income of low-income individuals not required to file individual income tax returns, unreported income and statistical errors or omissions and effects of errors in data for adjusted gross income or personal income.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*, 1986, and *The National Income and Product Accounts of the United States, Volume 2, 1959-88*, 1992; for years after 1988, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Tables 5 and 6

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Beginning with 1987, data are not comparable with earlier years because of major changes in the definition of adjusted gross income.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*,

1986, and *The National Income and Product Accounts of the United States, Volume 2, 1959-88*, 1992; for years after 1988, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 7

- [1] Returns with standard deduction, 1955-1991, include a small number with no adjusted gross income and no deductions. (For 1977-1986, standard deduction is the "zero bracket amount," which was also reported on a small number of returns included in the 1987-89 statistics; see footnote 2.) For 1944-1954, returns with no adjusted gross income are included in the number of returns with itemized deductions.
- [2] Amount of standard deduction for 1944-1957 was estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of tax returns by income classes and marital status in *Statistics of Income—Individual Income Tax Returns*, and for 1958-1991 was obtained directly from Statistics of Income tabulations for these years. Represents "zero bracket amount" for 1977-1986. Starting with 1987, represents the sum of "basic" and "additional" standard deductions (for age 65 and over and for blindness); also includes zero bracket amount reported on the small number of prior-year returns filed in 1988-1990 that were included in the 1987-1989 statistics. See also footnote 18, Table 1.
- [3] For 1977-1986, itemized deductions are before subtraction of "zero bracket amount."
- [4] Sum of standard and itemized deductions, plus charitable deduction reported on standard deduction returns for Tax Years 1982-1986. For 1987-1989, total deductions also include "zero bracket amount" reported on a small number of returns (see footnote 2).

- [5] See footnote 2, Tables 5 and 6.

SOURCE: Except as indicated in footnote 1, *Statistics of Income—Individual Income Tax Returns*, and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

## Notes to Selected Historical and Other Data Tables

### Table 8

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Excludes the "zero bracket amount" for 1977-1986. Because of major changes in law, taxable income starting with 1955 and 1987 is not comparable with earlier years. See also footnote 23, Table 1.
- [3] For the definition of total income tax, see footnote 28, Table 1.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables, 1986*, and *The National Income and Product Accounts of the United States, Volume 2, 1959-88, 1992*; for years after 1988, *Survey of Current Business*, various issues; and *Statistics of Income—Individual Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 9

- [1] Starting with 1975, includes refundable portion of earned income credit.

SOURCE: *Statistics of Income—Individual Income Tax Returns*, and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 10

- [1] After 1986, total deductions includes disallowed "passive losses." Therefore, business receipts minus total deductions do not equal net income (less deficit), which excludes disallowed amounts, but which also is after subtraction of passive loss carryover from prior years. (Net income or deficit also excludes disallowed losses, and is after subtraction of passive loss carryover.)

SOURCE: *Statistics of Income—Sole Proprietorship Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer issues (for most years). Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling

error and of the changes mentioned above.

### Table 11

- [1] Amount is somewhat understated because not all partnership returns included a complete balance sheet, as shown in Table 11.
- [2] Short-term debt is the abbreviated title for mortgages, notes and bonds payable in less than 1 year.
- [3] Long-term debt is the abbreviated title for mortgages, notes and bonds payable in 1 year or more. In addition, for Tax Year 1975, long-term debt included nonrecourse loans.
- [4] Prior to 1981, "total receipts" included *gross* income from farming, rents and royalties. Expenses related to this income were included under "total deductions." Starting with 1981, only the *net* incomes or deficits from farming, rents and royalties were tabulated; the positive amounts were included under "total receipts," and the negative amounts under "total deductions." The related expenses were not tabulated. In addition, starting with 1987, total receipts also includes certain "portfolio income" (interest, dividends and royalties) distributable to partners, not all of which was previously reported as receipts. Portfolio income from capital gains is excluded to improve comparability with earlier years.
- [5] Starting with 1987, "business receipts" represents gross receipts from sales and operations and, for partnerships in finance, insurance and real estate, investment income, such as interest, dividends and rents (but not capital gains). Also, in finance, insurance and real estate prior to 1981, only gross rentals reported as investment income were treated as business receipts and only if they were the principal operating income.
- [6] For 1982-1986, also includes certain dividends reported in combination with interest.
- [7] After 1980, represents the more complete amounts reported in depreciation computation schedules rather than the amounts reported as the depreciation deduction (augmented by depreciation identified for the statistics in cost of sales and operations schedules).

SOURCE: *Statistics of Income—Partnership Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific

## Notes to Selected Historical and Other Data Tables

Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 12

[1] Size classes are based on business receipts, i.e., gross amounts from sales and operations, for industries except those in finance, insurance and real estate. For the latter industries, total receipts, which is the sum of business receipts and investment income, was used. For partnerships, comparability of data by size of receipts is affected by revisions to the definition of receipts; see also footnotes 4 and 5, Table 11. To help minimize the break in comparability caused by the change in statistical treatment of partnership farm and rental income, an effort was made for 1981-1987 only, to include rental (though not farm) gross income in the receipts used for the size distribution in Table 12. Starting with 1988 though, only partnership net rentals are reflected in the size distribution.

[2] Includes returns with no business receipts.

[3] Includes corporations and partnerships with zero assets and liabilities. In addition, for partnerships, includes partnerships without balance sheet information (see also footnote 5, below).

[4] See footnote 4, Table 11.

[5] Prior to 1979, partnerships that had liquidated were assumed to have zero assets and liabilities, even if their balance sheets showed otherwise, and were included in the "under \$25,000" asset size class. Beginning with 1980, balance sheet data for liquidated partnerships were tabulated as reported and were included in the appropriate asset size classes.

[6] For the difference between the number of business returns and the number of businesses, see Table 10.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*; *Statistics of Income—Partnership Returns, Sole Proprietorship Returns and Business Income Tax Returns*, depending on the year; and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 13

[1] Starting with 1985, number of returns excludes taxable cooperatives, and, starting with 1988, excludes returns filed by Foreign Sales Corporations

(FSC's) and Interest Charge-Domestic International Sales Corporations (IC-DISC's); see also footnotes 5 and 6, below. Because of the omission of these returns, totals for all income and financial items shown in the statistics (except those not applicable to IC-DISC's and FSC's, such as "income subject to tax," "income tax" and tax credits) are slightly understated.

[2] Consolidated returns were filed on an elective basis for groups of affiliated corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates.

[3] Included in "Number of returns, total" and "Number with net income."

[4] In general, small corporations that elect to be taxed at the shareholder level, with no more than 35 shareholders (10 prior to 1983), most of them individuals.

[5] Domestic International Sales Corporations (DISC's) were designed to promote U.S. exports. They were taxed through parent corporations, but only when profits were distributed or deemed distributed to them. This system of tax deferral was generally replaced after 1984 with a new system of Foreign Sales Corporations (FSC's); see footnote 6. Tax benefits of DISC's remaining after 1984 were limited and an interest charge for tax deferred amounts was imposed on the parent corporations whose DISC subsidiaries were unable to meet the FSC requirements and that elected to continue as IC-DISC's. Counts presented for DISC's after 1984 are, therefore, limited to IC-DISC's.

[6] Foreign Sales Corporations (FSC's) generally replaced DISC's as a means of promoting U.S. exports (see footnote 5). Under the FSC provisions, a portion of these subsidiaries' "foreign trade income" was exempt from U.S. income tax.

[7] For 1980 and 1985 data, tax-exempt securities, representing investments in State and local Government obligations, were reported with investments in U.S. Government obligations as a combined total on the tax return. Starting with 1989, tax-exempt securities were again reported separately, but were defined to include, not only investments in State and local Government obligations, but also stock in investment companies that distributed dividends during the current year representing tax-exempt

## Notes to Selected Historical and Other Data Tables

interest on such obligations.

- [ 8] Starting with 1987, statistics for receipts, deductions and net income (or deficit) of S Corporations are limited to those attributable to a trade or business. Therefore, investment or portfolio income (or loss), such as from interest, dividends, rents, royalties and gain (loss) from sales of investment property, and the deductions related to this income, are excluded from net income (and allocated directly to share holders). See also footnote 9.
- [ 9] Starting with 1987, "business receipts" includes the full amount reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers and operative builders, even when they bought and sold securities, commodities and real estate on their own account. Previously, such transactions were treated as "net gain (loss), noncapital assets."
- [10] See footnote 8.
- [11] Starting with the 1985 statistics, includes any dividends reported in combination with interest on Form 1120-S by S Corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 4). Based on prior years when Form 1120-S required each to be reported separately, nearly all of the combined amount represents interest.
- [12] For the 1985 statistics, "other deductions" includes depletion and employer contributions to pension, profit-sharing, stock bonus and annuity plans, and to employee benefit programs, reported on the Form 1120-A short form. Starting with 1988, identifiable amounts reported on Form 1120-A for any of these items are included in the statistics for the appropriate deduction. See footnote 8.
- [13] In general, "total receipts less total deductions" includes nontaxable interest on State and local Government obligations, but excludes income from related foreign corporations only "constructively" received. As such, it represents all income, taxable and nontaxable, "actually" received by the corporation as reported on the corporation income tax return (and excludes all income only "constructively" received). In contrast, "net income less deficit" represents all taxable income, actually or constructively received. Therefore, in the statistics, "total receipts less total deductions" minus "nontaxable interest on State and local Government obligations" and "Constructive taxable income from related

foreign corporations" equals "net income (less deficit)." For the exception, see footnotes 14.

- [14] "Net income (less deficit)," "net income" and "deficit" for 1988 and 1990 exclude net long-term capital gain reduced by net short-term capital loss reported by regulated investment companies. See also footnote 13.
- [15] For most years, "income subject to tax" (the corporate tax base) exceeds "net income less deficit" chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined as net income minus certain statutory special deductions); prior to 1988, a variation of this base in combination with net long-term capital gains in certain situations when the lower capital gains tax applied; and the special tax bases applicable to S Corporations, insurance businesses and, formerly, to certain investment companies. Profits of Domestic International Sales Corporations were tax-deferred; most of those of qualifying Foreign Sales Corporations were tax-exempt and those of S Corporations were taxed (with few exceptions) through their individual shareholders. Therefore, the net income of these corporations is excluded from income subject to tax for years for which data for these companies are included in the statistics (see footnote 1).
- [16] For 1970, includes tax surcharge of \$784,437,000.
- [17] Different tax rate structures applied for Tax Years 1970, 1971-1974, 1975-1978, 1979-1981, 1982, 1983, 1984-1986, 1987 and 1988-1989. In general, starting with tax years beginning in 1987, "alternative tax" was repealed. This tax included a maximum rate on long-term capital gains that produced a tax that was less than that produced by the regular tax rates.
- [18] Effective during 1987, the "alternative minimum tax" replaced the "minimum tax" (formerly referred to in the statistics as the "additional tax for tax preferences"), which was introduced for tax years that ended in 1970. The tax rate for minimum tax was increased and the computation revised starting with Tax Year 1976; computation was further modified effective with Tax Years 1977, 1983, 1984 and 1990. Tax preferences subject to the tax were

## Notes to Selected Historical and Other Data Tables

redefined starting with Tax Year 1976, and slightly expanded starting with Tax Year 1977. The alternative minimum tax rate exceeded that applicable under the former minimum tax.

- [19] Starting with the 1985 statistics, general business credit includes alcohol fuel, investment, jobs and employee stock ownership plan (ESOP) credits which were reported separately for previous years. Also included are the research credit (starting 1986) and the low-income housing credit (starting 1987). With exceptions, investment credit was repealed effective 1986; employee stock ownership plan contributions credit was repealed effective 1987. For changes in definitions of component credits, see *Statistics of Income—Corporation Income Tax Returns* for the years concerned.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 14

- [1] See footnote 1, Table 13.
- [2] See footnote 8, Table 13.
- [3] See footnote 9, Table 13.
- [4] See footnote 11, Table 13.
- [5] See footnotes 16 and 17, Table 13.
- [6] In addition to regular tax (and to alternative tax for years prior to 1988), includes Personal Holding Company tax, tax from recapture of investment and work incentive (WIN) credits (for 1975 and 1980 data) and of low-income housing credit (starting with 1988), additional tax for tax preferences or "minimum tax" (for years prior to 1987), and "alternative minimum tax" and environmental tax (both starting with 1987). Also includes special taxes applicable to foreign corporations with income "effectively connected" with a U.S. business, S Corporations (defined in footnote 4, Table 13) and certain investment companies. Credits include those appropriate for the given tax year. See Table 13 and *Statistics of Income—Corporation Income Tax Returns* for the years concerned for more detailed explanations.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Data are subject to sampling

error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 15

- [1] Profits shown are without inventory valuation and capital-consumption adjustments.
- [2] Net income (less deficit) and income subject to tax exclude taxable cooperatives starting with Tax Year 1980. Net income (less deficit) starting with 1985 excludes Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's); see also Table 13, footnote 1. For regulated investment companies, see Table 13, footnote 14.
- [3] For the definition of "income subject to tax," see footnote 15, Table 13. See also footnote 2, above.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*, 1986, and *The National Income and Product Accounts of the United States, Volume 2, 1959-88, 1992*; for years after 1988, *Survey of Current Business*, various issues; and *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 16

- [1] Total adult deaths represent those of individuals age 20 and over, plus deaths for which age was unavailable.
- [2] Prior to 1982, number of taxable returns by year of death is only approximate because, while the majority of returns filed in a given calendar year represent estates of decedents who died in the immediately-preceding year, many represent estates of decedents who died in earlier years. Therefore, the number of taxable returns shown as for 1976 decedents are actually the number of taxable returns filed in 1977, regardless of year of death. Starting with 1982, statistics for year of death are more accurate, since they are based on year of death as reported on return filings over a period of 3 successive years. Thus, returns of 1989 decedents, for example, are based on the year of death reported on returns that were filed in 1989-1991.

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Data for 1965 and subsequent years are not altogether comparable with earlier years. Starting with 1965, the number of taxable returns with taxable estate was based on estate tax *after* credits; previously, it was based on estate tax *before* credits.

Year-to-year comparability is affected by changes in the gross estate filing threshold which is based on date of death: 1934 (\$50,000); 1935 (\$50,000 changing to \$40,000); 1936-1941 (\$40,000); 1942 (\$40,000 changing to \$60,000); 1943-1976 (\$60,000); 1977 (\$120,000); 1978 (\$134,000); 1979 (\$147,000); 1980 (\$161,000); 1981 (\$175,000); 1982 (\$225,000); 1983 (\$275,000); 1984 (\$325,000); 1985 (\$400,000); 1986 (\$500,000); and 1987 and thereafter (\$600,000).

SOURCE: For years after 1953, *Statistics of Income -- Estate Tax Returns; Estate and Gift Returns; Fiduciary, Estate and Gift Tax Returns*, depending on the year; or the *Statistics of Income Bulletin*, selected issues. For years prior to 1954, *Statistics of Income--Part 1*. Adult deaths are from National Center for Health Statistics, Public Health Service, U.S. Department of Health and Human Services, *Vital Statistics of the United States*, unpublished tables.

### Tables 17 and 18

- [1] Includes that portion which was designated for the Presidential election campaign fund by taxpayers on their tax returns. Also included is the fiduciary income tax collected (from estates and trusts). Fiduciary income tax collected in 1992 was \$6.1 billion; in 1991, \$4.8 billion; in 1990, \$5.9 billion; in 1989, \$6.0 billion; in 1988, \$6.5 billion; and in 1987 \$8.4 billion. Presidential election campaign designations amounted to \$29.6 million in 1992, \$32.3 million in 1991, \$32.5 million in 1990, \$32.3 million in 1989, \$33.2 million in 1988 and \$33.2 million in 1987.
- [2] Includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Total taxes collected from tax-exempt organizations were \$181.6 million in 1992, \$155.6 million in 1991, \$127.9 million in 1990, \$115.6 million in 1989, \$137.5 million in 1988 and \$119.9 million in 1987.
- [3] Excise taxes are imposed on selected products, services and activities, such as on alcohol and tobacco products and on gasoline. Statistics shown in Table 17 have been revised, starting with Fiscal Year

1988, to include alcohol and tobacco taxes, collection of which was transferred from the Internal Revenue Service to the Bureau of Alcohol, Tobacco and Firearms, starting with that year. Collections of manufacturers tax on recreational products include taxes on firearms, responsibility for which was transferred from the Internal Revenue Service to the Bureau of Alcohol, Tobacco and Firearms starting January 1991. Collections exclude taxes on cargoes paid to the U.S. Customs Service.

- [4] Employment taxes include payroll taxes levied on salaries and wages, such as social security, railroad retirement and unemployment taxes; plus the self-employment tax imposed on "self-employment income."

NOTES: Refunds in Table 18 are associated with the taxes (including alcohol, tobacco and firearms taxes) described in footnotes 1-4, Table 17. Collections (or refunds) are those made during time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied).

Collections represent the gross amounts before refunds and include amounts paid with the tax return; prior to filing the return (as applicable, income tax withheld by employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of examination and enforcement activities). Collections also include interest and penalties.

Refunds result chiefly from tax overpayments determined at time of filing a return. Also included are amounts subsequently determined as due the taxpayer as a result of an amended return or a claim for refund (including those produced by "net operating loss" and other carryback adjustments from future taxable years); or as a result of initial return processing or of IRS examination and other activities. Individual income tax refunds are net of offsets under laws which require IRS to act as collection agent for delinquent payments owed various U.S. agencies under specific programs. All refund data include interest paid by IRS (in 1992, \$3.2 billion; in 1991, \$2.8 billion; in 1990, \$2.4 billion; in 1989, \$0.5 billion; in 1988, \$0.4 billion and in 1987, \$0.4 billion).

For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. Starting with 1980, the fiscal year was redefined as October of the previous calendar year through September of the year noted. (For Fiscal Year 1976, data are not shown for the interim period, July-September 1976.)

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Starting with Fiscal Year 1988, additional detail on manufacturers excise taxes, retail and special fuel taxes and miscellaneous excise taxes is available in the fourth quarter *Internal Revenue Report of Excise Taxes*; previously this information was published in the *Internal Revenue Service Annual Report*. For additional detail on alcohol, tobacco and firearms taxes, see the Statistical Release, *Alcohol and Tobacco Tax Collections*, Bureau of Alcohol, Tobacco and Firearms, U.S. Department of the Treasury.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Case Processing Division, Accounting Branch.

### Table 19

- [1] Alcohol and tobacco taxes each include special (occupational) taxes prior to Fiscal Year 1988. Starting with Fiscal Year 1988, occupational taxes are excluded from the separate amounts shown for alcohol and for tobacco taxes, although they are reflected in the combined total for *all* alcohol and tobacco taxes.
- [2] Also includes lubricating oil taxes. Effective January 7, 1983, taxes on lubricating oil were repealed.
- [3] Effective January 1, 1984, taxes on tubes and tread rubber were repealed.
- [4] Effective January 7, 1983, the manufacturers excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, taxes on motor vehicles are excluded.
- [5] Includes taxes on diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Also includes taxes on motor vehicles starting with the quarter ended December 1983, and leaking underground storage tank trust fund tax (except for fuel used in aviation which is classified under environmental excise taxes) starting with the quarter ended March 1990.
- [6] Repealed effective August 23, 1988. Amounts reported for more recent time periods result from amended filings, delinquent taxes, examination activities and refunds of tax deposited in excess of tax liabilities.
- [7] Environmental "Superfund" tax expired September 1985, but was reimposed January 1987. Data include oil spill trust fund and ozone-depleting chemical taxes effective January 1990. Also includes leaking

underground storage tank trust fund tax for quarters ended March 1988 through December 1989; thereafter, except for the tax on aviation fuel use, this tax is classified under special fuels tax.

NOTE: See above, under Tables 17 and 18.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Case Processing Division, Accounting Branch; and Financial Management Service.

### Table 20

- [1] Form 1040 is the long form; 1040A, the short form. Prior to 1994, Form 1040EZ was for single tax payers with no dependents; starting with 1994, certain married taxpayers with no dependents could also file on this form. Schedule C is for reporting non-farm sole proprietorship businesses and Schedule F is for reporting farm income and expenses. Totals for Forms 1040, 1040A, and 1040EZ, as well as totals for nonbusiness Form 1040 returns, and business Forms 1040 returns with Schedules C or F attached, include "paper" returns, plus "standard" electronically-filed (ELF) returns (usually filed by tax preparers) starting in 1986; starting with 1992, these totals also include returns filed by telephone ("TeleFile"). Form 1040PC represents "paper" Form 1040, 1040A or 1040EZ returns filed by taxpayers (or tax preparers) using an IRS- approved computer software-generated format, rather than a specific tax form. Calendar Year 1992 is the first for which this "form" applied. "Other" includes Form 1040C (departing aliens) in years before 1992; 1040NR (nonresident aliens); 1040PR (self-employment tax, Puerto Rico); and 1040SS (self-employment tax, Virgin Islands, Guam, and American Samoa); but excludes Form 1040X (amended returns).
- [2] Form 1120 is the basic corporation income tax return; Form 1120A is the short form; and Form 1120S is for S Corporations (certain small companies electing to be taxed through their shareholders, no more than 35 shareholders starting with 1983, and no more than 10, for earlier years). "Other" includes Forms 1120F (most foreign companies with U.S. income); 1120L (life insurance companies) starting in 1992 (included in the statistics for Form 1120 in the earlier years); 1120 POL (certain political associations); 1120H (homeowners associations); 1120-FSC (Foreign Sales Corporations or ESC's) starting in 1986; starting in 1988, 1120-REIT for real estate investment trusts, 1120-RIC for regulated investment companies (both of which formerly filed on Form 1120), and 1120-PC

## Notes to Selected Historical and Other Data Tables

for property and casualty insurance companies (which formerly filed on Form 1120 or 1120M, described below). ("Other" also includes Form 1120 DF (for designated funds) starting in 1988; and for years before 1988, Form 1120M, discontinued, for mutual non-life insurance companies which now file on Form 1120 or Form 1120-PC (and are included in the statistics for Form 1120 in the earlier years). "Other" excludes Forms 1120-DISC for Domestic International Sales Corporations or DISC's, discontinued after 1985 and mostly replaced by FSC's (see above); 1120 IC-DISC for Interest Charge-Domestic International Sales Corporations, which replaced certain DISC's after 1985; and 1120X, amended returns.

- [3] Form 1041 is the regular fiduciary income tax return filed for estates and trusts. For 1988-1990, includes form 1041S (short form). For 1970, includes Form 1041A (trust accumulation of charitable trusts, information return). Corrected number of Forms 1041 in 1990 was 2,778,717.
- [4] Form 706 is the regular estate tax return; Form 706NA is for U.S. estates of nonresident aliens.
- [5] Form 990 is for tax-exempt organizations, except private foundations (Form 990-PF). Form 990EZ is the short form. Form 990-T is the income tax return filed for businesses conducted by tax-exempt organizations. Form 990-C is for farmers' cooperatives. Form 4720 is for computing the special excise taxes applicable to certain private foundations and Form 5227 is for split-interest trusts treated as private foundations. The 1970 total on the line for Forms 990 and 990EZ also includes Forms 990A filed for tax-exempt charitable organizations.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Research Division, Projections and Forecasting Group.

### Table 21

- [1] Number of returns with a paid preparer signature is based on different sources, depending on the year.

Data for 1987 and 1988 are estimated based on the SOI samples for those years. Data for 1989-1991 are from the Individual Master File of all Individual income taxpayers, with the following exceptions: for 1989, the number of returns with itemized deductions; for 1990 and 1991, the number of returns that were filed electronically. These numbers were estimated from the Statistics of Income—Taxpayer Usage Study (TPUS) samples of returns filed during the first 4 months for each of the corresponding years.

- [2] Data on electronically-filed returns, shown separately for Tax Year 1990, are included in the counts for Form 1040 returns shown above in Table 21, for all years. Data for 1990 are based on the TPUS sample (see footnote 1) of returns filed, extended to cover the first 8 months of 1991. No adjustment was made for returns filed after the first 8 months on the assumption that few were likely to have been electronically filed during this time period.
- [3] Data on IRS Taxpayer Service Programs are collected either on a fiscal-year or calendar-year basis, depending on the program. In general, assistance rendered in a given fiscal year may be related to returns due on April 15th during that fiscal year and is for the tax year ending with the previous December. As a result, data in Table 21 on telephone and written inquiries; office walk-in's, information; and taxpayer contacts through community classes and seminars, which are presented on a tax year basis, are actually for a fiscal year. Therefore, data for these contacts shown as for Tax Year 1992, for example, are actually for Fiscal Year 1993.

NOTE: Data on IRS assistance represent taxpayer contacts. Some taxpayers make more than one contact. The number of taxpayers assisted (in contrast to the number of contacts made) is not known.

SOURCE: Data on paid preparers were obtained from the Statistics of Income Division; and the Corporate Systems Division, Individual Systems Branch. Data on IRS assistance were obtained from the Taxpayer Service Division.

# SOI Sampling Methodology and Data Limitations

## Appendix

**T**his appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports (see the References at the end of this appendix). More technical information is available, upon request, by writing to the Acting Director, Statistics of Income Division CP:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

### Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on criteria such as: industry, presence or absence of a tax form or schedule, accounting period, State from which filed and various income factors or other measures of economic size (total assets, for example, is used for the corporation and partnership statistics). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years — 3 for corporations because of the prevalence of fiscal (non-calendar) year reporting. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from that planned. However, these factors do not compromise the validity of the estimates.

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns

*Information for this appendix was compiled by Bettye Jamerson, Coordination and Publications Staff, under the direction of Robert Wilson, Technical Advisor. Major contributions were made by Paul McMahon, Mathematical Statistics Team.*

in the stratum and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated cost or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the social security number (SSN) or the employer identification number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TIN's designed from one year's sample are for the most part selected for the next year's, so that a very high proportion of the returns selected in the current sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

### Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. Weights are, in general, computed by dividing the count of returns filed for a given stratum by the count of sample returns for that same stratum. "Weights" are used to adjust for the various sampling rates used — the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "post-strata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these post-strata using additional population counts. The data on each return in a stratum are multiplied by that weight. To produce the tabulated estimates, these weighted data are summed to produce the published statistical totals.

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

# SOI Sampling Methodology and Data Limitations

## Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates

In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.

derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in decimal form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 0.02, then the following arithmetic procedure would be followed to construct a 68 percent confidence interval estimate:

$$\begin{aligned} &150,000 \text{ (sample estimate)} \\ &\quad \times 0.02 \text{ (coefficient of variation)} \\ &= 3,000 \text{ (standard error of estimate)} \\ &150,000 \text{ (sample estimate)} \\ &\quad + \text{ or } - 3,000 \text{ (standard error)} \\ &= 147,000\text{-}153,000 \text{ (68 percent confidence interval).} \end{aligned}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95 percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Generally in the *Statistics of Income Bulletin* only conservative upper limit CV's are provided for frequency

estimates. These do, however, provide a rough guide to the order of magnitude of the sampling error.

Further details concerning sample design, sample selection, estimation method and sampling variability for a particular SOI study, may be obtained on request by writing the Acting Director, Statistics of Income Division, at the address given above.

## Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors and effects of an early cut-off of sampling. More extensive information on nonsampling error is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during statistical "editing" in order both to improve data consistency from return to return and to achieve definitions of the data items that are more in keeping with the needs of major users. In some cases not all of the data are available from the tax return as originally filed. Sometimes the missing data can be obtained through field follow up. More often, though, they are obtained through imputation methods. As examples, other information in the return or in accompanying schedules may be sufficient to enable an estimate to be made; prior-year data for the same taxpayer may be used for the same purpose; or data from another return for the same year that has similar characteristics may be substituted. Research to improve methods of imputing data that are missing from returns continues to be an ongoing process [1].

Quality of the basic data abstracted from the returns is subjected to a number of quality control steps including 100-percent key verification. The data are then subjected to many tests based on the structure of the tax law and the improbability of various data combinations. Records failing these tests are then subjected to further review and any necessary corrections are made. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically-processed returns as a further check [2].

## SOI Sampling Methodology and Data Limitations

Finally, before publication, all statistics are reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series and statistical techniques used in data processing and estimating.

### Tabular Conventions

Estimates of frequencies and money amounts that are considered unreliable due to the small sample size on which they are based are noted in SOI tables. The presence of the indicator means that the sampling rate is less than 100 percent of the population and that there are fewer than 10 sample observations available for estimation purposes.

A dash in place of a frequency or amount indicates that no sample return had that characteristic. In addition, a dash in place of a coefficient of variation for which there is an estimate indicates that all returns contributing to the estimate were selected at the 100-percent rate.

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses. These combinations and deletions are indicated in the tables.

### Notes

- [1] See, for example, Hinkins, Susan M., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in *1984 Proceedings of the American Statistical Association, Section on Survey Research Methods*. Other

research efforts are included in *Statistical Uses of Administrative Records: Recent Research and Present Prospects*, Volume 1, Internal Revenue Service, March 1984.

- [2] Quality control activities for all SOI studies are published from time to time in a series of separate reports. These reports provide detailed information relating to quality in all phases of SOI processing.

### References

Reports that contain additional information about the samples include:

*Statistics of Income—1990, Individual Income Tax Returns*, (see especially pages 11-14).

*Statistics of Income—1989, Corporation Income Tax Returns* (see especially pages 9-18).

*Statistics of Income—1974-1987, Compendium of Studies of Tax-Exempt Organizations* (see descriptions at the end of each chapter).

*Statistics of Income—1986-1992, Compendium of Studies of Tax-Exempt Organizations, Volume 2* (see descriptions for selected articles).

*Statistics of Income—1984-1988, Compendium of Studies of International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns* (see descriptions at the end of each chapter).

*Statistics of Income Bulletin* (see each issue).

# SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0922

Project	Primary Analysts	Frequency and Program Content
<b>Americans Living Abroad:</b> 1991 Program	Melissa Redmiles	This periodic study is conducted every 4 years (every 5 years, after 1991). It covers foreign income and taxes paid, and foreign tax credit shown on individual income tax returns. Data are by size of adjusted gross income and country.
<b>Corporation Foreign Tax Credit:</b> 1990 Program 1991 Program 1992 Program	Maggie Lewis Kimberly Veletto	This annual study provides data on foreign income and taxes paid and foreign tax credit reported on corporation income tax returns. Data are classified by industry (all years) and country (even numbered years).
<b>Corporation Income Tax Returns:</b> 1991 Program  1992 Program  1993 Program	Patrice Treubert Allison Clark Janice Washington Jonathan Shook Ellen Legel Victor Rehula	Basic data are produced annually and cover complete income statement, balance sheet, tax and tax credits, and detail from supporting schedules. Data are classified chiefly by industry group or asset size. (Beginning with the 1992 program, S Corporations are a separate study.)
<b>Environmental Excise Taxes</b> (Superfund) Study: 1991 Program 1992 Program	Sara Boroshok	The Superfund Amendments and Reauthorization Act of 1986 (SARA) replaced the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), authorizing the collection of environmental taxes, a type of excise tax. This study, published annually, is the only source of data that provides detailed tabulations by type of chemical.
<b>Estate Collation</b>	Barry Johnson	This periodic study links estate tax return data for decedents and beneficiaries. Income information for beneficiaries is available both for years preceding and following the decedent's death. Information on gift tax returns is available for the last 2 years of the decedent's life. The most recent study is based on decedents who died in 1982. The next study will be for decedents who died in 1989.
<b>Estate Tax Returns:</b> 1992-1994 Program	Barry Johnson	This annual study includes information on gross estate and its composition, deductions and tax; and information on the age, sex and marital status of the decedents. Basic estate tax return data by year in which returns are filed are produced every year. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 1989 with returns filed in 1989-91.
<b>Exempt Organizations Business</b> <b>Income Tax Returns:</b> 1989 Program 1990 Program	Peggy Riley Sara Boroshok	This annual study includes tabulations of "unrelated business" income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The data file will also be linked with the Forms 990 and 990-PF data files of tax-exempt organizations and private foundations.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0922**

<b>Project</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Foreign Controlled Corporations:</b> 1990 Program 1991 Program 1992 Program	John Latzy	This annual study includes data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry.
<b>Foreign Corporations:</b> 1990 Program 1992 Program	Bill States Randy Miller	This periodic study, planned for every 2 years, provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry and country.
<b>Foreign Recipients of U.S. Income:</b> 1991 Program	Denise Bori	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
<b>Foreign Sales Corporations (FSC):</b> 1992 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement and export-related data are tabulated annually through 1987, and then on a 4-year cycle after 1992.
<b>Foreign Trusts:</b> 1990 Program	Randy Miller	This periodic study, conducted every 4 years, provides data on foreign trusts that have U. S. persons as grantors, transferors or beneficiaries. Data include country where trust was created, value of transfer to the trust and the year the trust was created.
<b>Individual Income Tax Return Public Use File</b>	Mario Fernandez	Microdata magnetic tape files, produced annually, contain detailed information obtained from the individual statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination, on a reimbursable basis. (In addition to microdata files, specific tabulations from them are produced, also on a reimbursable basis.)
<b>Individual Income Tax Returns:</b> 1990 Program 1991 Program 1992 Program	Michael Strudler Marty Shiley	Basic data are produced annually and cover income, deductions, tax and credits reported on individual income tax returns and associated schedules, chiefly by size of adjusted gross income.
<b>Interest-Charge Domestic International Sales Corporations (IC-DISC):</b> 1991 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987, and then on a 4-year cycle.
<b>Intergenerational Wealth</b>	Barry Johnson Marvin Schwartz	This on-going study involves estate returns filed since the inception of the estate tax (1916), and focuses on changes in the concentration of wealth and the intergenerational transfer of wealth, as well as the history of the estate tax system. The asset composition, available demographic information, and an analysis of beneficiaries of estates will be emphasized.

## SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0922

Project	Primary Analysts	Frequency and Program Content
<b>International Boycott Participation:</b> 1991 Program 1992 Program	Melissa Redmiles	This study provides data on business operations of U.S. persons in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
<b>Migration Flow and County Income Data</b>	Sandy Byberg	Migration flow data (based on changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 1990-91.
<b>Nonprofit Charitable and Other Organizations:</b> 1989 Program 1990 Program	Cecelia Hilgert Paul Arnsberger	This annual study includes balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. Beginning with 1989, the study will include data from the new Form 990-EZ.
<b>Nonresident Alien Estates:</b> 1990 Program	Randy Miller	This periodic study, planned for every 4 years, provides data on estates of nonresident aliens who had more than \$60,000 of assets in the United States. The estates are subject to U.S. estate taxation on U.S. property.
<b>Occupation Studies</b>	Bobby Clark Dodie Riley	This periodic study, based on availability of outside funding, is designed to classify individual income tax returns by occupation and to develop a dictionary of occupation titles that can be used to enhance the economic data of many other individual income tax return studies.
<b>Partnership Returns of Income:</b> 1991 Program 1992 Program	Tim Wheeler	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
<b>Partnership Withholding Study:</b> 1991 Program	Kimberly Veletto	This annual study includes data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
<b>Personal Wealth Study:</b> 1992 Program	Marvin Schwartz Barry Johnson	This periodic study provides data estimates of personal wealth of top wealth-holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate data bases. The most recent data (1989) are based on returns filed from 1989 to 1991.
<b>Private Foundations:</b> 1989 Program 1990 Program	Alicia Meckstroth	This annual study includes balance sheets and income statements. The 1989 study includes data on non-exempt charitable trusts.

## SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0922

Project	Primary Analysts	Frequency and Program Content
<b>S Corporations:</b> 1992 Program 1993 Program	Amy Gill	Annual study data are collected for the income statement, balance sheet and from supporting schedules. Data are classified by industry group or by asset size.
<b>Sales of Capital Assets:</b> 1985 Program 1985-1992 Panel Study	Barbara Longton Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported on Schedule D of the individual income tax return, sales of residences and personal or depreciable business property.  A panel study provides the same data on capital asset transactions for a subsample of the returns in the Sales of Capital Assets basic study, over a period of years.
<b>Sales of U.S. Real Property Interests by Foreign Persons:</b> 1992 Program	John Latzy	This annual study will provide data on transfers of U.S. real property interests, when these interests are acquired from foreign persons. Data include the amount realized on transfers, U.S. tax withheld and the country of foreign persons.
<b>Sole Proprietorships:</b> 1990 Program 1991 Program 1992 Program	Michael Strudler Craig Ammon	Basic program data, produced annually, cover the business receipts, deductions and net income reported on Schedule C (for nonfarm proprietors), by industry group. Similar data from Schedule F (for farmers) are available on an occasional basis.
<b>State Data:</b> 1985 Program 1988 Program	Mario Fernandez	Special tabulations of selected individual income, deduction and tax data by State are produced on a reimbursable basis. (The data file for 1988 is the most recent.)
<b>Statistical Subscription Services:</b> Corporation Source Book	Sandy Byberg	Annual data by more detailed industry groups than are used for the regular corporation statistics are produced by asset size.
<b>Tax-exempt Bond Issues:</b> 1990 Program 1991 Program	Marvin Schwartz	This annual study provides information on private activity and governmental bond issues by type of property financed, size of face amount and State.
<b>Taxpayer Usage Study:</b> 1992 Program	Laura Prizzi	Basic data, produced annually, provide weekly frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, and general characteristics of the individual taxpayer population for returns received during the primary filing season (January through April).
<b>U.S. Possessions Corporations:</b> 1989 Program	Randy Miller	This periodic study, planned for every 4 years, provides data on income statement, balance sheet, tax and "possessions tax credit" data for "qualifying" U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.)

# Publications & Tapes

## Statistical Information Services

For questions about the availability of SOI data, other statistical services, or release dates for new publications, please contact the Statistical Information Services Office on (202) 874-0410 or FAX (202) 874-0922. As its name implies, this office is best able to answer questions about data. It is not the place to call to obtain tax forms or information about the status of an individual's tax refund or audit examination. Also, all requests from the media should be directed to the IRS Public Affairs Office on (202) 622-4000.

The following *Statistics of Income* reports and tapes can be purchased from the Statistics of Income Division (unless otherwise indicated). Prepayment is required, with checks made payable to the IRS Accounting Section. Please write:

Acting Director  
Statistics of Income Division (CP:S)  
Internal Revenue Service  
P. O. Box 2608  
Washington, DC 20013-2608

## Business Source Books

### Corporation Source Book, 1990

Publication 1053 – Price \$175.00

This 479-page document presents detailed income statement, balance sheet, tax and selected other items, by major and minor industry groups and size of total assets. The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased for \$175 (issues prior to 1982 are for sale at \$150 per year). Magnetic tape or diskette containing the tabular statistics for 1990 can be purchased for \$1,500.

### Partnership Source Book, 1957-1983

Publication 1289 – Price \$30.00

This 291-page document shows key partnership data, for 1957 through 1983, by major and minor industry group. It includes a historical definition of terms section and a summary of legislative changes affecting the comparability of partnership data during that period. Tables show:

- number of partnerships;
- number of partners;
- business receipts;
- depreciation;
- taxes paid deductions;
- interest paid deductions;
- payroll deductions;
- payments to partners; and
- net income less deficit.

(A magnetic tape containing the tabular statistics for partnerships can be purchased for \$300 from the National Technical Information Service, U.S. Department of Commerce, Springfield, VA 22161.) More recent partnership data are published annually in the *SOI Bulletin*.

### Sole Proprietorship Source Book, 1957-1984

Publication 1323 – Price \$95.00

This *Source Book* is a companion to that for partnerships, described above. It is a 251-page document showing key proprietorship data for 1957 through 1984; data for farm proprietorships are excluded after 1980. Each page presents statistics for a particular industry. Tables show:

- number of businesses;
- business receipts;
- depreciation;
- taxes paid deduction;
- interest paid deductions;
- payroll deductions; and
- net income less deficit.

A magnetic tape containing the tabular statistics can be purchased for \$245. As with partnerships, more recent (nonfarm) sole proprietorship data are published annually in the *SOI Bulletin*.

## Compendiums

### Studies of Tax-Exempt Organizations, 1974-1987

Publication 1416 – Price \$26.00

This publication presents 22 articles from *Statistics of Income* studies on tax-exempt organizations. The articles emphasize important issues within the nonprofit sector, and also include several other articles previously unpublished in the *SOI Bulletin*, as well as papers published in proceedings of the American Statistical Association and the Independent Sector Research Forum. Topics featured are:

- nonprofit charitable organizations (primarily charitable, educational and health organizations);
- private foundations and charitable trusts; and
- unrelated business income of exempt organizations.

## Publications & Tapes

### **Studies of Tax-Exempt Organizations, 1986-1992**

*Publication 1416 – Price \$26.00*

This is the second volume in a series of *Statistics of Income* (SOI) publications on tax-exempt, nonprofit organizations. The volume includes data covering 1986-1992 and contains 12 previously-published articles from SOI studies, including articles from the *SOI Bulletin*, as well as papers prepared for the *Journal of Nonprofit Management and Leadership*, *Trusts and Estates*, the Independent Sector Research Forum, the National Research Council's Committee on National Statistics, and the American Statistical Association.

### **Studies of International Income and Taxes, 1984-1988**

*Publication 1267 – Price \$26.00*

This report presents information from 13 *Statistics of Income* studies in the international area (many of them previously published in the *SOI Bulletin*), including:

- foreign activity of U.S. corporations;
- activity of foreign corporations in the United States;
- foreign controlled U.S. corporations;
- statistics related to individuals, trusts and estates; and
- data presented by geographical area or industrial activity, as well as other classifiers.

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*(Prices are dependent on the request.)*

### **Public Use Magnetic Tape Microdata Files**

This includes individual income tax returns for 1979-1990. A limited number of files for 1989 are also available on CD-ROM. (Individual income tax returns for 1966-1978 are available for sale by writing to the Center for Electronic Records (NNX) of the National Archives and Records Administration, Washington, DC 20408.) Files containing more limited data for each State are also available for 1985 and 1988. All of these files have been edited to protect the confidentiality of individual taxpayers. Files for private foundations for 1982-1983 and 1985-1989 and nonprofit charitable organizations for 1982-1983 and 1985-1989 are also available from the

Statistics of Income Division. The individual, private foundation and charitable organization files are the only microdata files that can be released to the public.

### **Migration Data**

Compilations are available showing migration patterns, from where to where, by State and county, based on year-to-year changes in the tax return address. Data are also available for selected time periods (according to the years in which returns were filed) between 1978 and 1991 and include counts of the number of individual income tax returns and personal exemptions. In addition, county income totals are available for Income Years 1982 and 1984 through 1990.

### **Other Unpublished Tabulations**

Unpublished tabulations are also available, including detailed tables underlying those published in the *SOI Bulletin*. Special tabulations may also be produced, depending on the availability of resources.

### **Other Publications**

The following *Statistics of Income* publications are available from the Superintendent of Documents, U.S. Government Printing Office. For copies, please use the order form following this section or write:

Superintendent of Documents  
P. O. Box 371954  
Pittsburgh, PA 15250-7954.

If you determine from the Government Printing Office that any of the next three items is out-of-print, please telephone the Statistical Information Services Office on (202) 874-0410, for assistance.

### **Statistics of Income (SOI) Bulletin**

*Quarterly Publication 1136, Stock No. 748-005-00000-5  
Subscription price, \$25.00; Single copy price, \$13.00*

Provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietor-

## Publications & Tapes

ships and on partnerships, as well as from periodic or special studies of particular interest to tax analysts and administrators and to economists. Historical tables include data from SOI, as well as on tax collections and refunds by type of tax.

### **Statistics of Income – 1989, Corporation Income Tax Returns**

*Publication 16, Stock No. 048-004-02316-4*

*Price \$13.00*

This report presents more comprehensive and complete data on corporation income tax returns with accounting periods ended July 1989 through June 1990, than those published earlier in the *SOI Bulletin*.

Presents information on:

- receipts;
- deductions;
- net income;
- taxable income;
- income tax;
- tax credits;
- assets; and
- liabilities.

Data are classified by:

- industry;
- accounting period;
- size of total assets; and
- size of business receipts.

### **Statistics of Income – 1990, Individual Income Tax Returns**

*Publication 1304, Stock No. 048-004-02320-2*

*Price \$10.00*

This report presents more comprehensive and complete data on individual income tax returns for 1990 than those published earlier in the *SOI Bulletin*.

Presents information on:

- sources of income;
- exemptions;
- itemized deductions; and
- tax computations.

Data are presented by:

- size of adjusted gross income; and
- marital status.

The following *Statistics of Income* publication is available from the Statistics of Income Division. For copies, please

write to the Acting Director at the address shown at the beginning of this section.

### **Turning Administrative Systems Into Information Systems**

*Publication 1299 – Free of Charge*

This report is the latest volume in a continuation of the IRS' methodology reports series which documents technological and methodological changes in *Statistics of Income* programs and other related statistical uses of administrative records. Previous volumes in the series were called *Statistics of Income and Related Administrative Record Research*. Topics featured are:

- information from tax return data;
- the 1989 Survey of Consumer Finances;
- estimation and methodological research in SOI business programs;
- sample design and weighting issues in the SOI individual program;
- some quality improvements applications;
- some technological innovations for SOI research; and
- a look to the future data needs for the Federal sector.

### **SOI Electronic Bulletin Board**

Since June 1992, over 282 files have been added to the SOI electronic bulletin board system (BBS) and are available for access. They include data from recent *SOI Bulletin* publications for returns covering individuals, corporations, partnerships, sole proprietorships and estates. The BBS also contains files on personal wealth and international topics, such as foreign tax credits and Controlled Foreign Corporations, as well as tax collections and refunds from the IRS administrative system.

#### **Electronic Bulletin Board Numbers:**

(202) 874-9574 (Analog – Most Users)

Systems Administrator: Jim Willis (202) 874-0408

Systems Coordinator: Jim Hobbs (202) 874-0268.



**Second  
Volume  
in a  
Series  
on  
Tax-Exempt  
Organizations**



The *Compendium of Studies of Tax-Exempt Organizations, 1986-1992, Volume 2*, presents data and articles on tax-exempt, nonprofit organizations. Included are:

- analyses of nonprofit charitable organizations, particularly charitable, religious, educational and health organizations;
- private foundations and charitable trusts;
- charitable bequests; and
- nonprofit organizations exempt from tax under subsections 501(c)(4)-(c)(9) of the Internal Revenue Code.

The volume includes data covering 1986-1992, emphasizes important issues within the nonprofit sector, and includes previously published *Statistics of Income (SOI) Bulletin* articles, as well as papers prepared for the *Journal of Nonprofit Management and Leadership, Trusts and Estates*, the INDEPENDENT SECTOR Research Forum, the National Research Council's Committee on National Statistics, and the American Statistical Association.

Information on obtaining copies of SOI's microdata tapes, as well as supplemental information on both the topics included in this volume and on other SOI products and services, may be obtained by calling: **SOI Statistical Information Services Offices (202) 874-0410**; or write to:

**Statistics of Income Division CP:S  
Internal Revenue Service  
P.O. Box 2608  
Washington, DC 20013-2608.**

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