

Individual Income Tax Returns, 1996

by *Therese Cruciano*

Taxpayers filed 120.4 million U.S. individual income tax returns for Tax Year 1996, 1.8 percent more than for the previous year. For 1996, adjusted gross income (less deficit) (AGI) increased 8.3 percent to \$4.5 trillion. Total income tax rose 11.9 percent to \$658.2 billion, and the average tax rate increased 0.5 percentage points to 14.5 percent. For 1996, tax represented 6.0 percent of gross domestic product (GDP), in contrast to the 6.6 percent shown for 1981. Net capital gain (less allowable loss) increased 47.8 percent to \$251.8 billion, the largest percentage increase since the Tax Reform Act of 1986 (TRA86). Itemized deductions for charitable contributions increased 14.9 percent to \$86.2 billion. In constant dollars, charitable contributions showed the largest percentage increase since 1956.

Two of the largest components of AGI, salaries and wages and taxable pensions and annuities, increased 5.5 percent and 8.0 percent, respectively. Other components of AGI with sizable increases were taxable Individual Retirement Arrangement distributions (22.0 percent) and partnership and S Corporation net income (less loss) (16.7 percent). The total deduction for personal exemptions increased 2.5 percent to \$598.9 billion, and total deductions (itemized and standard) increased 4.1 percent to \$979.6 billion. Taxable income increased 9.8 percent to \$3.1 trillion. Total tax credits (including only the portion of the earned income credit used to offset income tax before credits) increased 12.6 percent to \$11.3 billion, while the total earned income credit increased 11.1 percent to \$28.8 billion.

Adjusted Gross Income and Selected Sources of Income

As shown in Figure A, AGI increased 8.3 percent to more than \$4.5 trillion for 1996. The growth rate of AGI was more than 2.5 times the annual inflation rate (3.0 percent as measured by the Consumer Price Index) for the same period [1]. The principal components of AGI and statutory adjustments to AGI are presented in Figure B and Table 1. The largest

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Figure A

Adjusted Gross Income, Taxable Income, and Total Income Tax, Tax Years 1995 and 1996

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

Item	1995		1996		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income (less deficit).....	118,218	4,189,354	120,351	4,535,974	8.3
Taxable income.....	94,612	2,813,826	96,577	3,089,667	9.8
Total income tax.....	89,253	588,419	90,929	658,245	11.9
Alternative minimum tax.....	414	2,291	478	2,813	22.8

component of AGI, salaries and wages, increased \$175.4 billion, or 5.5 percent, for 1996. The largest percentage increase of any income item was for the second largest component of AGI, net capital gain (less loss), which increased 47.8 percent to \$251.8 billion. This percentage increase was the largest reported since the enactment of TRA86. The third largest component of AGI, taxable pensions and annuities, increased 8.0 percent to \$238.8 billion. In contrast to its large increase of 22.7 percent for 1995, taxable interest increased 7.0 percent for 1996.

Other income items with large percentage increases included estate and trust net income (less loss), which increased 27.5 percent to \$7.7 billion and taxable Individual Retirement Arrangement distributions, which increased 22.0 percent to \$45.5 billion. In addition, total rent and royalty net income (less loss) increased 19.6 percent, and taxable Social Security benefits and partnership and S Corporation net income (less loss) increased 16.4 percent and 16.7 percent, respectively. Unemployment compensation remained steady at \$19.3 billion.

Losses

Total negative income includes net negative income line items from individual tax returns [2]. Total negative income, i.e., net loss, included in AGI increased for 1996 by 2.3 percent to \$181.6 billion (Figure C). Accounting for 27.4 percent of total net losses, net operating loss increased 0.9 percent to \$49.7 billion [3]. Partnership and S Corporation net

Individual Income Tax Returns, 1996

Figure B

Comparison of Total and Selected Sources of Adjusted Gross Income, Tax Years 1995 and 1996

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

Item	1995		1996		Increase in amount	Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount		
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income (less deficit) ¹	118,218	4,189,354	120,351	4,535,974	346,620	8.3
Salaries and wages.....	101,139	3,201,457	102,749	3,376,872	175,415	5.5
Taxable interest.....	67,029	154,781	67,159	165,673	10,892	7.0
Dividends.....	26,214	94,592	27,710	104,255	9,663	10.2
Business or profession net income (less loss).....	16,173	169,343	16,736	176,904	7,561	4.5
Net capital gain (less loss) ²	19,963	170,415	22,065	251,817	81,402	47.8
Net gain (less loss), sales of property other than capital assets.....	1,777	-3,010	1,822	-2,284	726	24.1
Taxable Social Security benefits.....	6,598	45,715	7,366	53,203	7,488	16.4
Total rent and royalty net income (less loss) ³	10,224	17,193	10,100	20,564	3,371	19.6
Partnership and S Corporation net income (less loss).....	5,622	125,752	5,991	146,780	21,028	16.7
Estate and trust net income (less loss).....	548	6,054	533	7,716	1,662	27.5
Farm net income (less loss).....	2,219	-7,850	2,188	-7,112	738	9.4
Unemployment compensation.....	7,985	19,336	7,995	19,327	-10	(⁴)
Taxable pensions and annuities.....	18,415	221,053	19,272	238,787	17,734	8.0
Taxable Individual Retirement Arrangement distributions.....	5,256	37,316	5,831	45,539	8,223	22.0
Other net income (less loss) ⁵	n.a.	23,385	n.a.	24,971	1,586	6.8
Gambling earnings.....	1,021	7,867	1,125	8,229	363	4.6

n.a. - Not available.

¹ Sources of adjusted gross income shown are incomplete and, therefore, do not add to total adjusted gross income.

² Includes capital gain distributions not reported on Schedule D.

³ Includes farm rental net income (less loss).

⁴ Percentage not computed.

⁵ Other net income (less loss) represents data reported on Form 1040, line 21, except net operating loss and the foreign-earned income exclusion.

loss, the second largest component of the total, increased 8.1 percent to nearly \$44.0 billion, while business or profession net loss increased 2.9 percent to \$23.1 billion. The only two net loss items showing substantial declines for 1996 were net capital loss, which decreased 8.6 percent to \$9.7 billion, and estate and trust net loss, which decreased 8.3 percent to \$0.7 billion.

Statutory Adjustments

Statutory adjustments, which are subtracted from total income in the computation of AGI, increased 3.7 percent to \$42.6 billion for 1996 (Figure D). The largest statutory adjustment was the self-employment tax deduction, representing 32.9 percent of the total. This adjustment increased 5.3 percent to \$14.0 billion for 1995. Payments to self-employed retirement (Keogh) plans increased 2.8 percent to nearly

\$9.0 billion. Deductible payments to Individual Retirement Arrangements rose 3.5 percent to \$8.6 billion, ending the downward trend that began with 1986. Alimony paid increased 8.5 percent to \$5.7 billion.

Deductions

The total standard deduction claimed on 1996 individual income tax returns, i.e., the basic standard deduction plus the additional standard deduction for age or blindness, increased 3.0 percent to \$426.1 billion (Figure E). Total deductions, the sum of the total standard deduction and total itemized deductions (after limitation), equaled \$998.6 billion, an increase of 6.1 percent. (See the Changes in Law section of this article for an explanation of the itemized deduction limitation.)

The number of returns claiming a standard de-

Individual Income Tax Returns, 1996

Figure C

Comparison of Total and Selected Sources of Net Losses Included in Adjusted Gross Income, Tax Years 1995 and 1996

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

Item	1995		1996		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total net losses.....	n.a.	177,514	n.a.	181,641	2.3
Business or profession net loss.....	3,956	22,466	4,201	23,126	2.9
Net capital loss ¹	5,134	9,715	4,622	8,879	-8.6
Net loss, sales of property other than capital assets.....	975	8,745	1,004	8,816	0.8
Total rent and royalty net loss ²	4,766	26,140	4,620	26,120	-0.1
Partnership and S Corporation net loss.....	2,055	40,666	2,201	43,960	8.1
Estate and trust net loss.....	41	817	44	749	-8.3
Farm net loss.....	1,493	16,042	1,461	16,027	-0.1
Net operating loss ³	505	49,331	504	49,749	0.9
Other net loss ⁴	210	3,592	208	4,215	17.3

n.a. - Not available.

¹ Includes only the portion of capital losses allowable in the calculation of adjusted gross income.

² Includes farm rental net loss.

³ See footnote 3 of this article for a definition of net operating loss.

⁴ Other net loss represents losses reported on Form 1040, line 21, except net operating loss and the foreign-earned income exclusion.

duction increased 0.9 percent for 1996, accounting for 69.8 percent of all returns filed. The total standard deduction increased 3.0 percent to \$426.1 billion, comprising 42.7 percent of the total deductions amount. For 1996, the average standard de-

duction equaled \$5,073, up \$103 from the 1995 average. This increase was due to inflation-indexing of the standard deduction amounts.

Statistics for returns with itemized deductions are presented in Figure E and Table 3. Itemized deduc-

Figure D

Selected Statutory Adjustments, Tax Years 1995 and 1996

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

Item	1995		1996		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total statutory adjustments.....	18,209	41,140	18,425	42,647	3.7
Payments to an Individual Retirement Arrangement.....	4,301	8,338	4,374	8,628	3.5
Moving expenses.....	880	1,720	831	1,682	-2.2
Self-employment tax deduction.....	12,849	13,342	13,204	14,044	5.3
Self-employed health insurance deduction.....	3,011	2,601	3,147	2,785	7.1
Payments to a self-employed retirement (Keogh) plan.....	1,032	8,734	1,079	8,979	2.8
Forfeited interest penalty.....	804	204	709	168	-17.8
Alimony paid.....	568	5,226	597	5,668	8.5
Other adjustments ¹	n.a.	975	n.a.	693	-28.9

n.a. - Not available.

¹ Includes foreign housing adjustment and other adjustments.

Individual Income Tax Returns, 1996

Figure E

Selected Itemized Deductions and the Standard Deduction, Tax Years 1995 and 1996

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

Item	1995		1996		Percentage increase in amount
	Number of returns ¹	Amount	Number of returns ¹	Amount	
	(1)	(2)	(3)	(4)	(5)
Total itemized deductions before limitation.....	34,008	542,931	35,415	591,624	9.0
Medical and dental expenses.....	5,351	26,964	5,397	27,002	0.1
Taxes paid.....	33,530	188,644	34,855	203,776	8.0
Interest paid ²	28,705	215,078	29,803	233,151	8.4
Home mortgage interest.....	28,350	203,074	29,436	220,203	8.4
Charitable contributions.....	30,541	74,992	31,592	86,159	14.9
Casualty and theft losses.....	152	1,776	164	2,879	62.1
Miscellaneous deductions after AGI limitation.....	7,979	31,027	8,436	34,043	9.7
Gambling losses and other unlimited miscellaneous deductions.....	752	4,450	827	4,614	3.7
Itemized deductions in excess of limitation.....	3,710	15,557	4,053	19,083	22.7
Total itemized deductions after limitation.....	34,008	527,374	35,415	572,541	8.6
Total standard deduction.....	83,223	413,585	83,997	426,103	3.0
Total deductions (after itemized deduction limitation).....	117,230	940,959	119,412	998,644	6.1

¹ Returns with no adjusted gross income are excluded from the deduction counts. For this reason, the sum of the number of returns with total itemized deductions and the number of returns with total standard deduction is less than the total number of returns for all filers.

² Includes investment interest and deductible mortgage "points" not shown separately.

tions were claimed on 29.4 percent of all returns filed and represented 57.3 percent of the total deductions amount [4]. The average total for itemized deductions (after limitation) equaled \$16,167, up \$660 from the 1995 average.

Total itemized deductions (before limitation) increased for 1996, as did all of the component deductions. The largest itemized deduction (comprising 39.4 percent of the total), interest paid, increased 8.4 percent to \$233.2 billion. Home mortgage interest accounted for 94.4 percent of total interest paid, with the remaining portion consisting of investment interest and deductible points paid on a mortgage. Taxes paid, the second largest itemized deduction (34.4 percent of the total), increased 8.0 percent to \$203.8 billion. Charitable contributions increased 14.9 percent to \$86.2 billion, the highest amount ever reported. One component of this deduction, "other than cash contributions," increased 57.5 percent to \$21.3 billion for 1996. Among the other itemized deductions, medical and dental expenses increased 0.1 percent to \$27.0 billion, and miscellaneous deductions after the AGI limitation increased 9.7 percent to \$34.0 billion.

The AGI threshold for the limitation of itemized deductions increased to \$117,950 (\$58,975 if married filing separately) for 1996. Due to this limitation, nearly 4.1 million higher-income taxpayers were unable to deduct \$19.1 billion in itemized deductions, an increase of 22.7 percent from the 1995 amount.

Taxable Income and Total Income Tax

Taxable income grew at a higher annual rate than AGI for 1996, 9.8 percent compared to 8.3 percent (Figure A). Since taxable income is the result of AGI less exemptions and deductions, smaller increases in deductions (4.1 percent) and exemption amounts deducted (2.5 percent) resulted in a larger percentage increase in taxable income. Taxable income totaled nearly \$3.1 trillion, and total income tax increased 11.9 percent to \$658.2 billion. The alternative minimum tax rose 22.8 percent to \$2.8 billion.

Average AGI reported on 1996 individual income tax returns was \$37,690, and average taxable income was \$31,992 [5]. These amounts represent a growth of 6.4 percent and 7.6 percent, respectively,

Individual Income Tax Returns, 1996

from the 1995 amounts of \$35,438 (average AGI) and \$29,741 (average taxable income).

Figure F shows that the average tax rate for 1996 (i.e., total income tax divided by AGI reported on all returns, taxable and nontaxable) was 14.5 percent, 0.5 percentage points more than for 1995. In the statistics, all of the income-size classes had average tax rates that were the same as, or lower than, those for 1995. The constant or lower average tax rates for the income-size classes for 1996 were mainly the result of inflation-indexing of the size of the standard deduction, the size of the deduction for personal exemptions, and the width of the tax rate brackets. The increased total average tax rate for 1996 resulted from taxpayers, as a whole, earning more income and, thus, having higher average tax rates. As

shown, the four highest income-size classes each showed an appreciable increase in the number of taxpayers for 1996, ranging from a 13.2-percent increase for the “\$100,000 under \$200,000” class to a 27.5-percent increase for the “\$1,000,000 or more” class. These two income-size classes showed corresponding increases in total AGI of 13.5 percent for the “\$100,000 under \$200,000” class and 38.1 percent for the “\$1,000,000 or more” class.

Tax Credits

Statistics for the earned income credit (EIC) and the other tax credits are shown in Tables 2 and 4. For 1996, total tax credits (excluding the “refundable” portion of the EIC and any EIC used to offset any other taxes) increased 12.6 percent to \$11.3 billion

Figure F

Number of Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 1995 and 1996

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

Tax year, item	Total	Size of adjusted gross income									
		Under \$1 ¹	\$1 under \$10,000	\$10,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Tax Year 1996:											
Number of returns.....	120,351	909	28,474	24,832	17,787	22,088	20,124	4,613	1,199	214	111
Adjusted gross income (less deficit).....	4,535,974	-54,553	140,430	367,438	439,020	863,162	1,370,196	603,667	347,404	144,807	314,402
Total income tax.....	658,245	121	2,501	16,859	33,875	88,649	178,230	109,838	87,687	43,530	96,956
Tax as a percentage of adjusted gross income (less deficit).....	14.5	(²)	1.8	4.6	7.7	10.3	13.0	18.2	25.2	30.1	30.8
Tax Year 1995:											
Number of returns.....	118,218	944	28,629	24,948	17,818	21,479	19,054	4,075	1,007	178	87
Adjusted gross income (less deficit).....	4,189,354	-55,254	142,208	367,736	438,600	837,130	1,286,855	532,030	292,118	120,347	227,583
Total income tax.....	588,419	88	2,491	17,415	34,672	86,037	167,991	97,240	74,630	36,316	71,540
Tax as a percentage of adjusted gross income (less deficit).....	14.0	(²)	1.8	4.7	7.9	10.3	13.1	18.3	25.5	30.2	31.4
Change in percentage points, tax as a percentage of adjusted gross income (less deficit), 1996 over 1995.....	0.5	(³)	(⁴)	-0.1	-0.2	(⁴)	-0.1	-0.1	-0.3	-0.1	-0.6

¹ Includes returns with adjusted gross deficit.

² Percentage not computed.

³ Difference not computed.

⁴ Difference is less than 0.05 percentage points.

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

Individual Income Tax Returns, 1996

Figure G

Selected Tax Credits, Tax Years 1995 and 1996

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

Item	1995		1996		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total tax credits ¹	15,240	10,040	15,851	11,304	12.6
Child care credit.....	5,964	2,518	5,974	2,531	0.5
Credit for the elderly or disabled.....	252	48	168	32	-33.7 ²
Earned income credit ³	7,851	3,146	8,195	3,563	13.3
Foreign tax credit.....	1,731	2,965	2,106	3,539	19.4
General business credit.....	268	703	298	743	5.7
Minimum tax credit.....	107	469	117	670	42.8

¹ Includes credits not shown separately.

² Percentage increase calculated before rounding.

³ Represents portion of earned income credit used to offset income tax before credits.

(Figure G). With the exception of the credit for the elderly or disabled, which decreased 33.7 percent to \$32 million, all of the tax credits increased for 1996. The change in total tax credits was primarily a result of increases in the earned income credit used to offset income tax before credits and the foreign tax credit, the two largest credits. The portion of the earned income credit used to offset income tax before credits increased 13.3 percent to \$3.6 billion, and the foreign tax credit increased 19.4 percent to \$3.5 billion. The largest percentage increase of any tax credit was for the minimum tax credit, which increased 42.8 percent to \$0.7 billion.

Unlike other tax credits, the EIC may not only offset income tax before credits, but may also offset all other taxes and may even be refundable. The refundable portion, the largest segment of the EIC, was treated as a refund and paid directly to taxpayers who had no tax against which to apply the credit, or whose EIC exceeded income tax (and other income-related taxes). The refundable portion of the EIC totaled \$23.2 billion for 1996, an increase of 11.2 percent from 1995 (Figure H). The third part of the EIC, the portion used to offset all other taxes besides income tax, was \$2.1 billion for 1996.

Almost 19.5 million taxpayers claimed the earned income credit for 1996, an increase of 0.7 percent from 1995. The total earned income credit, however, increased 11.1 percent to \$28.8 billion. (See the Changes in Law section of this article for

more details on the earned income credit.) Returns with two or more qualifying children accounted for the largest increase for 1996 returns claiming the EIC. The number of these EIC returns increased 5.8 percent, while the amount of EIC claimed increased 21.1 percent. This growth for EIC returns with two or more qualifying children was primarily the result of the final phase-in of provisions of the Omnibus Budget Reconciliation Act of 1993 (OBRA93), whereas for other taxpayers claiming the EIC, the only changes in eligibility levels and rates were due to inflation-indexing. The number of EIC returns with no qualifying children and the amount of EIC claimed on these returns increased 0.3 percent and 5.8 percent, respectively. The number of EIC returns with one qualifying child decreased 3.9 percent, and the amount of EIC claimed decreased 0.8 percent. EIC claims for 1996 may have been affected by the increased verification of Social Security numbers on individual tax returns for 1996 [6]. Similar percentage changes are shown in Figure H for the numbers of returns and amounts of the refundable portion of the EIC.

Historical Trends in Constant Dollars

As shown in Figure I, AGI, salaries and wages, and gross domestic product showed large increases in constant dollars for 1996. Both salaries and wages and AGI decreased (in constant dollars) beginning with 1980 and continued to decline until 1982. In

Individual Income Tax Returns, 1996

Figure H

Earned Income Credit, Tax Years 1995 and 1996

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

Item	1995		1996		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Total earned income credit (EIC)	19,334	25,956	19,464	28,825	11.1
EIC for returns with no qualifying children.....	3,520	616	3,532	652	5.8
EIC for returns with one qualifying child.....	8,264	11,465	7,943	11,372	-0.8
EIC for returns with two or more qualifying children.....	7,550	13,875	7,989	16,801	21.1
Refundable earned income credit (EIC)	15,178	20,829	15,380	23,157	11.2
EIC for returns with no qualifying children.....	2,249	420	2,309	449	6.9
EIC for returns with one qualifying child.....	6,536	8,828	6,290	8,681	-1.7
EIC for returns with two or more qualifying children.....	6,393	11,581	6,781	14,027	21.1

contrast, real GDP increased for 1981. For 1983, real AGI increased and continued to increase through 1986. Between 1987 and 1993, constant-dollar AGI fluctuated within a narrow band before increasing substantially from 1994 through 1996. The 5.2-percent increase for 1996 was the largest increase in AGI since 1988. The trend for salaries and wages over this same period is comparable. GDP also went up every year except 1980, 1982, and 1991. For 1996, real GDP increased 3.4 percent to \$7.0 trillion.

Over the same period, total income tax and tax as a percentage of real GDP fluctuated (Figure J). For 1980 and 1981, total income tax (in constant dollars) increased gradually, then declined sharply between 1981 and 1983, coinciding with the lower tax rates provided by the Economic Recovery Tax Act of 1981 (ERTA81). Although the ERTA81 tax reductions were still being phased in, total income tax increased for 1984 and continued to increase through 1986, as AGI began to climb steadily. Tax as a percentage of real GDP followed this trend, increasing substantially for 1986. Both total income tax and tax as a percentage of real GDP decreased for 1987, the first year under TRA86, as the maximum tax rate was reduced from 50 percent to 38.5 percent. For 1988, total income tax rebounded, even though the second part of the TRA86 statutory tax rate reduction was being implemented. Between 1988 and 1991, total income tax (in constant dollars) declined modestly each year, mirroring the gradual decline of AGI. For 1992, total income tax increased and

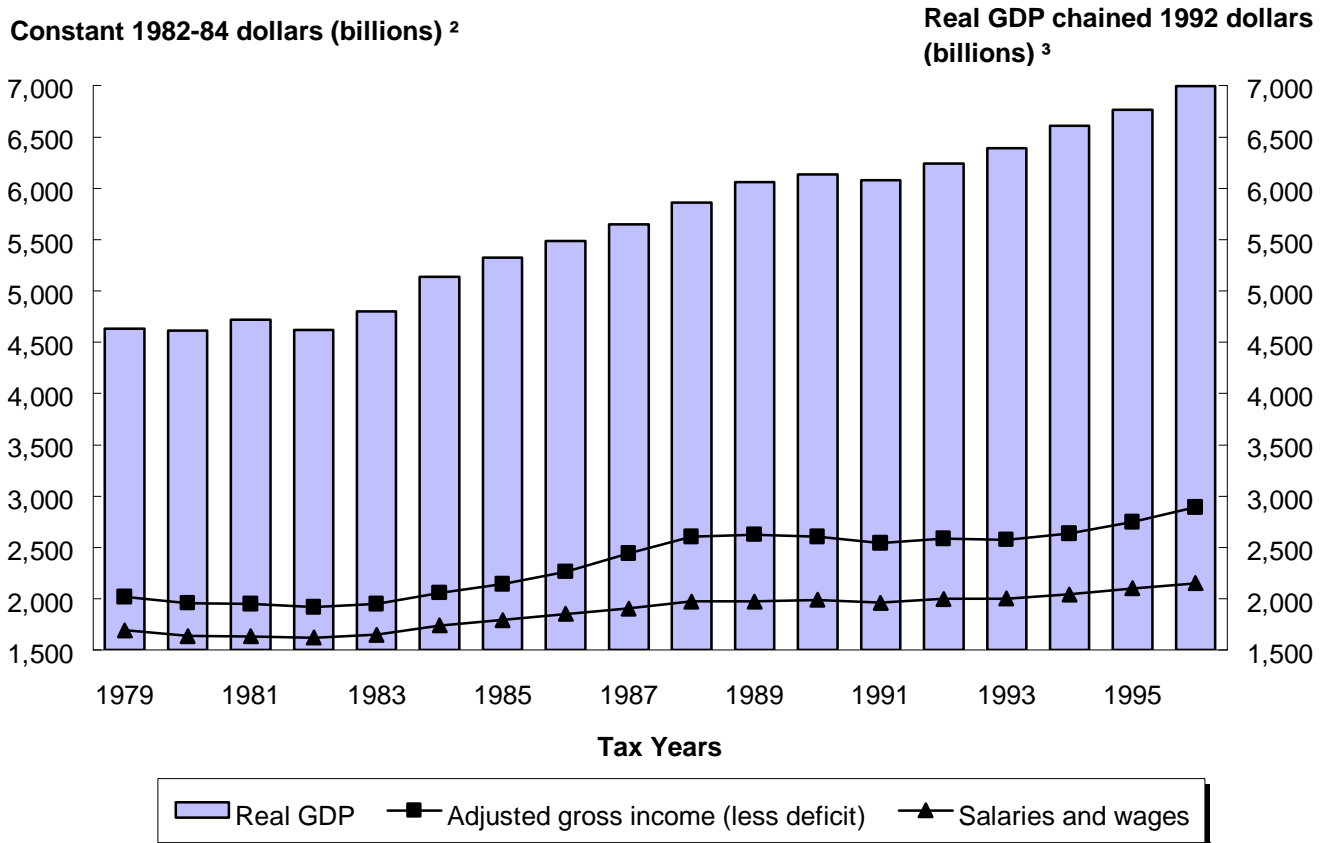
continued to increase through 1996, reflecting higher AGI and higher tax rates (for 1993 and later years). The increase in tax as a percentage of real GDP remained almost steady between 1991 and 1994. As noted with AGI, the 8.7-percent increase in total income tax for 1996 was also the largest since 1986. Tax as a percentage of real GDP, at 6.0 percent for 1996, was the highest level since 1986, but considerably less than the 6.6 percent shown for 1981.

Net capital gain (less loss) is the sum of capital gain distributions reported on Form 1040 and sales of capital assets reported on Schedule D (net gain less loss). Figure K shows that, in constant dollars, net capital gain (less loss) increased 43.5 percent, and capital gain distributions (reported on Schedule D and Form 1040) increased 66.9 percent for 1996. Net capital gain (less loss) decreased 9.6 percent, 25.6 percent, and 13.7 percent for 1989, 1990, and 1991, respectively. The post-recession years of 1992 and 1993 were marked with double-digit growth in net capital gain (less loss), before 1994 saw a decline of 3.8 percent. During this period, there were important law changes affecting net capital gain (less loss). Beginning with Tax Year 1991, the maximum capital gains rate remained 28 percent while the maximum rate for ordinary income increased to 31 percent. When two new tax brackets were added under OBRA93, the maximum differential between ordinary income and capital gain income increased from 3 percentage points to more than 11 percentage points (39.6 percent for ordinary income compared to

Individual Income Tax Returns, 1996

Figure I

Adjusted Gross Income, Salaries and Wages, and Real Gross Domestic Product, Tax Years 1979-1996 ¹



¹ The definition of adjusted gross income (less deficit) (AGI) changed beginning in Tax Year 1987. Therefore, AGI should be examined separately from 1979 to 1986 and from 1987 to 1996.

² Constant dollars were calculated using the U.S. Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 1 of this article for further details.

³ Real gross domestic product (GDP) in chained 1992 dollars (billions) as reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, August 1998.

28 percent for capital gains).

The constant-dollar percentage changes in capital gain distributions for this same period were larger. After increasing 34.9 percent for 1989, these distributions declined 32.4 percent for 1990 and then rebounded by 14.6 percent the following year. Similarly to net capital gain (less loss), 1992 and 1993 saw large increases in capital gain distributions (54.5 percent and 56.8 percent, respectively) before the

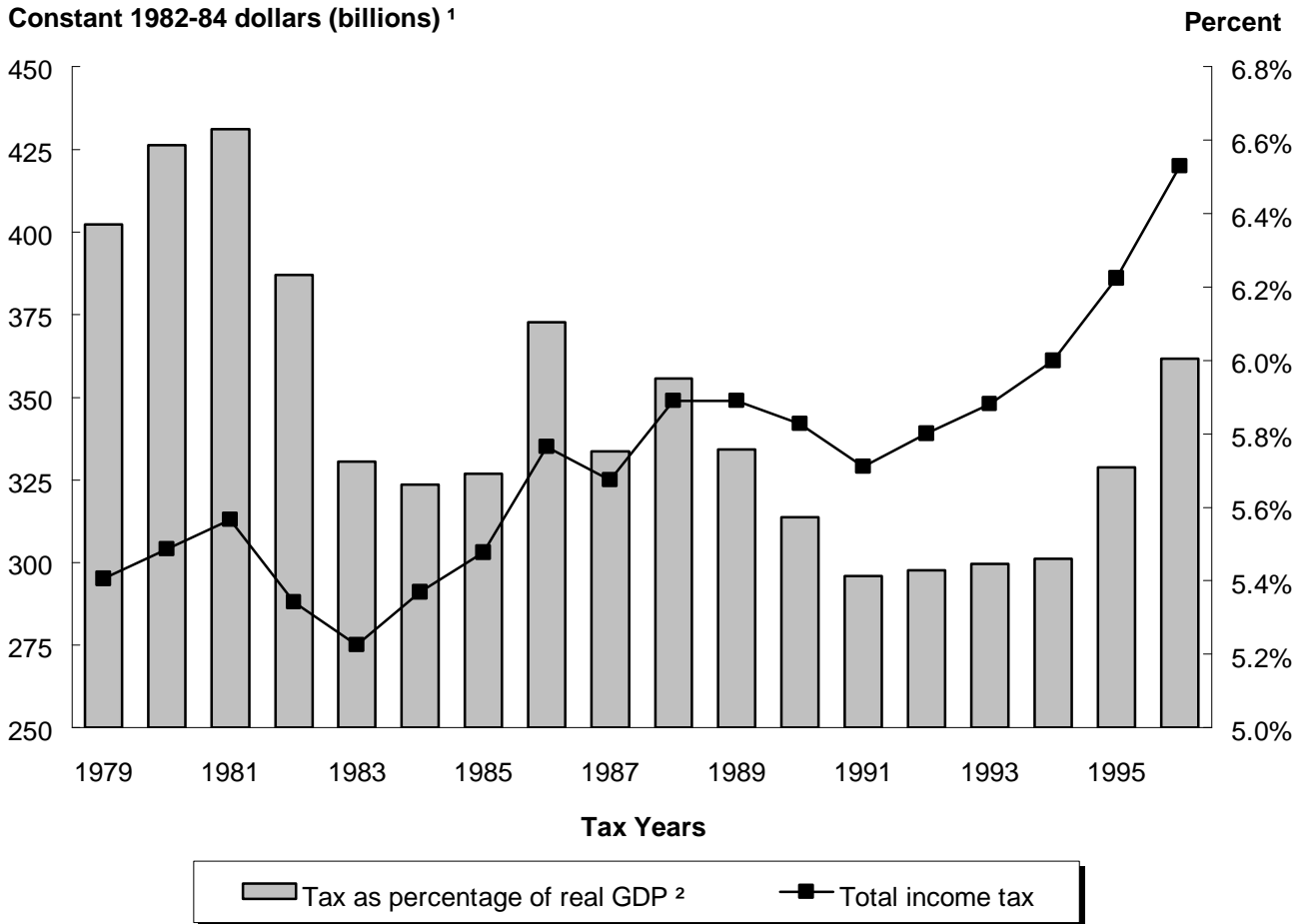
decline reported for 1994. In constant dollars, 1996 showed the highest level of net capital gain (less loss) since TRA86 and the highest level of capital gain distributions ever reported.

Figure L presents data for several income, deduction, and tax items (in constant dollars) over time. After increasing substantially between 1988 and 1989, real interest declined each year between 1990 and 1994. For 1992 and 1993, these declines were

Individual Income Tax Returns, 1996

Figure J

Total Income Tax and Tax as a Percentage of Real Gross Domestic Product, Tax Years 1979-1996



¹ Constant dollars were calculated using the U.S. Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 1 of this article for further details.

² Percentages were calculated using real gross domestic product (GDP) in chained 1992 dollars (billions) as reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, August 1998.

substantial, 24.7 percent and 21.6 percent, respectively. The increases for 1995 and 1996 only brought the taxable interest amount to levels less than those reported for 1992, and 40.5 percent below the maximum amount reported for 1989. Dividends decreased for 1990 and continued to decline until 1994, when they showed a slight increase. The

increases of 11.6 percent and 7.1 percent for 1995 and 1996, respectively, brought the dividends amount to the highest level reported for recent years, exceeding the previous maximum amount for 1989.

Constant-dollar business or profession net income (less loss) fluctuated with increases and decreases, within a narrow range, between 1988 and

Individual Income Tax Returns, 1996

FigureK

Net Capital Gain and Capital Gain Distributions, Tax Years 1988-1996

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

Tax year	Net capital gain (less loss) ¹				Capital gain distributions ¹			
	Number of returns	Current dollars	Constant 1982-84 dollars ²		Number of returns	Current dollars	Constant 1982-84 dollars ²	
			Amount	Percentage increase			Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1988.....	14,309	153,768	129,981	N/A	4,274	3,879	3,279	N/A
1989.....	15,060	145,631	117,444	-9.6	5,191	5,483	4,422	34.9
1990.....	14,288	114,231	87,400	-25.6	5,069	3,905	2,988	-32.4
1991.....	15,009	102,776	75,460	-13.7	5,796	4,665	3,425	14.6
1992.....	16,491	118,230	84,269	11.7	5,917	7,426	5,293	54.5
1993.....	18,409	144,172	99,773	18.4	9,998	11,995	8,301	56.8
1994.....	18,823	142,288	96,011	-3.8	9,803	11,322	7,640	-8.0
1995.....	19,963	170,415	111,821	16.5	10,744	14,391	9,443	23.6
1996.....	22,065	251,817	160,495	43.5	12,778	24,722	15,757	66.9

N/A - Not applicable.

¹ Includes capital gain distributions not reported on Schedule D.

² Constant dollars were calculated using the U.S Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 1 of this article for further details.

1996. This trend continued with the 1.5-percent increase for 1996. Taxable Individual Retirement Arrangement distributions showed substantial increases for recent years, with the 1996 amount more than triple the level shown for 1988. Taxable Social Security benefits increased each year since 1988. The large increase for 1994 reflected the change in law requiring up to 85 percent of Social Security benefits to be included in taxable income for some beneficiaries. Taxable pensions and annuities increased annually since 1979, with double-digit growth for 1983 through 1987. Tax Year 1996 levels were nearly three times the amount reported for 1979. Total rent and royalty net income (less loss) and partnership and S Corporation net income (less loss) both showed large increases and large decreases over time. For most of the 1980's, rent and royalty net income (less loss) decreased annually, and for many years, the total was negative. This trend changed with TRA86 and its passive loss rules [7]. For 1991, this item finally reached a level exceeding the amount reported for 1981, and continued to increase through 1996 to a level almost double the 1979 amount. Similarly, partnership and S Corporation net income (less loss) was negative from 1981 through 1986. For 1987, this item reached a level higher than the amount reported for 1979. Partner-

ship and S Corporation net income (less loss) more than doubled between 1987 and 1988, and, despite a decline for 1991, steadily increased through 1996. The real Tax Year 1996 amount was more than four times the amount reported for 1979.

The inflation-adjusted amount of total itemized deductions increased from 1979 through 1986, then declined for the next two years because of provisions in TRA86. The amounts increased slightly for 1989 and 1990, but declined for 1991, when itemized deductions were limited for taxpayers with AGI above certain income thresholds. Total itemized deductions increased again for both 1995 and 1996. During this same period, the real itemized deduction for charitable contributions increased each year until 1987, when provisions of TRA86 disallowed the deduction of charitable contributions for non-itemizers. Since 1987, this deduction showed only small increases for most years and decreases for 1988 and 1990. The 11.6-percent increase for Tax Year 1996 was the largest since 1956, when charitable contributions increased 12.0 percent to \$17.9 billion (in constant dollars).

Much of the fluctuation in alternative minimum tax (AMT) liability shown for 1988 through 1996 reflects the changes in law. The AMT showed high growth for 1991, coinciding with the increase in the

Individual Income Tax Returns, 1996

Figure L

Selected Sources of Income, Deductions, and Tax Items, in Constant 1982-84 Dollars, Tax Years 1979-1996

[Money amounts are in millions of dollars]

Tax year	Taxable interest		Dividends		Business or profession net income (less loss)		Taxable Individual Retirement Arrangement distributions		Taxable Social Security benefits		Alternative minimum tax	
	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1988.....	158,057	N/A	65,367	N/A	106,782	N/A	9,398	N/A	12,140	N/A	869	N/A
1989.....	177,432	12.3	65,572	0.3	107,047	0.2	11,190	19.1	13,990	15.2	670	-22.9
1990.....	173,744	-2.1	61,338	-6.5	108,210	1.1	13,431	20.0	15,062	7.7	635	-5.2
1991.....	153,753	-11.5	56,743	-7.5	104,159	-3.7	15,145	12.8	15,682	4.1	891	40.3
1992.....	115,712	-24.7	55,542	-2.1	109,766	5.4	18,726	23.6	16,493	5.2	967	8.5
1993.....	90,755	-21.6	55,176	-0.7	107,754	-1.8	18,741	0.1	17,059	3.4	1,421	46.9
1994.....	85,134	-6.2	55,607	0.8	112,148	4.1	22,339	19.2	26,072	52.8	1,493	5.1
1995.....	101,562	19.3	62,068	11.6	111,118	-0.9	24,486	9.6	29,997	75.8	1,503	5.8
1996.....	105,591	4.0	66,447	7.1	112,749	1.5	29,024	18.5	33,909	13.0	1,793	19.3

Tax year	Taxable pensions and annuities		Total rent and royalty net income (less loss)		Partnership and S Corporation net income (less loss)		Total itemized deductions after limitation ²		Charitable contributions deduction		Total earned income credit	
	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase	Amount (Constant 1982-84 dollars) ¹	Percentage increase
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
1979.....	51,441	N/A	6,668	N/A	20,222	N/A	253,676	N/A	30,593	N/A	2,826	N/A
1980.....	52,597	2.2	4,982	-25.3	12,256	-39.4	264,597	4.3	31,322	2.4	2,410	-14.7
1981.....	57,081	8.5	3,368	-32.4	-1,050	(³)	282,121	6.6	33,884	8.2	2,103	-12.7
1982.....	62,304	9.2	-2,238	(³)	-1,822	-73.5	294,825	4.5	34,686	2.4	1,840	-12.5
1983.....	70,094	12.5	-5,409	-141.7	-530	70.9	310,877	5.4	37,829	9.1	1,801	-2.1
1984.....	77,428	10.5	-9,127	-68.7	-2,183	-311.9	345,405	11.1	40,539	7.2	1,574	-12.6
1985.....	88,379	14.1	-12,048	-32.0	-2,348	-7.6	376,416	9.0	44,575	10.0	1,940	23.3
1986.....	98,263	11.2	-13,953	-15.8	-5,346	-127.7	407,900	8.4	49,102	10.2	1,831	-5.6
1987.....	109,819	11.8	-8,147	41.6	21,403	(³)	345,088	-15.4	43,683	-11.0	3,460	89.0
1988.....	117,317	6.8	-1,081	86.7	48,250	125.4	334,080	-3.2	43,068	-1.4	4,984	44.0
1989.....	118,837	1.3	-1,160	-7.3	50,881	5.5	347,563	4.0	44,725	3.8	5,319	6.7
1990.....	121,878	2.6	2,880	(³)	51,279	0.8	350,792	0.9	43,797	-2.1	5,771	8.5
1991.....	129,590	6.3	3,814	32.4	46,395	-9.5	343,382	-2.1	44,474	1.5	7,676	33.0
1992.....	132,924	2.6	6,878	80.3	62,474	34.7	343,511	(³)	45,505	2.3	8,682	13.1
1993.....	134,266	1.0	9,280	34.9	64,269	2.9	339,380	-1.2	47,304	4.0	10,752	23.8
1994.....	138,625	3.2	10,774	16.1	77,183	20.1	333,100	-1.9	47,601	0.6	14,241	32.4
1995.....	145,048	4.6	11,281	4.7	82,515	6.9	346,046	3.9	49,207	3.4	17,031	19.6
1996.....	152,190	4.9	13,107	16.2	93,550	13.4	364,908	5.5	54,914	11.6	18,372	7.9

N/A - Not applicable.

¹ Constant dollars were calculated using the U.S Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 1 of this article for further details.

² Itemized deductions for 1991 and later years were limited if adjusted gross income exceeded specified levels.

³ Percentage not calculated.

Individual Income Tax Returns, 1996

AMT rate from 21 percent to 24 percent. The double-digit growth returned for 1993 when the AMT rate increased again, from 24 percent to 26 percent, with a new rate of 28 percent applying to alternative minimum taxable income exceeding certain levels. In addition, the AMT exemption amounts increased for 1993, as did the corresponding levels at which the exemption amounts were phased out. The next substantial increase in AMT liability was for 1996 when, although no law changes were instituted, AMT increased 19.3 percent. This increase was at least partially attributed to the substantial increase in net long-term capital gain (less loss) taxed at the 28-percent rate (the same as the maximum rate for AMT) for 1996. The size of the AMT exemptions and the AMT income level at which the rate increases from 26 percent to 28 percent have not been indexed for inflation annually, whereas the widths of regular income tax rate brackets and the sizes of personal exemptions have been inflation-adjusted. Thus, year-to-year inflation may cause more taxpayers to be affected by the AMT and increase the amount of AMT liability.

With the exception of 1985, the real value of the total earned income credit declined from 1980 through 1986. Tax Year 1987 showed the largest percentage increase in the EIC, 89.0 percent, primarily due to the increases in both the rate and the base of the credit. Since 1987, total EIC increased each year, exhibiting double-digit growth for many of these years. Beginning with Tax Year 1991, the EIC was comprised of three component credits, with the maximum amount of the credit for 1991 being more than twice the maximum for 1990. OBRA93 modified the EIC by expanding the eligibility requirements to allow taxpayers without children to qualify for the credit and eliminating the health insurance credit and extra credit components of the EIC. In addition, the income eligibility levels and the maximum amounts of the credit increased. The total EIC amount for 1996 was more than 6.5 times the level reported for 1979.

Summary

Both AGI and taxable income grew more than 2.5 times as rapidly as the annual rate of inflation (3.0 percent) for 1996. AGI increased 8.3 percent, and taxable income increased 9.8 percent. These sub-

stantial increases made the 11.9-percent increase in total income tax possible. The total average tax rate increased 0.5 percentage points to 14.5 percent, but the rate either declined or remained the same as for 1995 for every individual income-size class. In addition, tax as a percentage of real GDP for 1996 was the highest since 1986, but was considerably less than the level reported for 1979.

The largest components of AGI, salaries and wages and taxable income from pensions and annuities, increased 5.5 percent and 8.0 percent, respectively. A number of other income items contributed to the substantial growth of AGI: net capital gain (less loss) increased 47.8 percent; taxable Individual Retirement Arrangement distributions increased 22.0 percent; and partnership and S Corporation net income (less loss) increased 16.7 percent. Total tax credits increased 12.7 percent for 1996, with the earned income credit and the foreign tax credit accounting for much of the increase. Between 1995 and 1996, the number of returns claiming the earned income credit increased only 0.7 percent, yet the total amount of the credit increased 11.1 percent, mainly as the result of the phasing-in of changes enacted in 1993.

Changes in Law

The following is a list of Federal tax law and Internal Revenue Service administrative changes that had a major bearing on the 1996 data presented in this article. In general, the definitions used in this article are the same as those in section 4 of *Statistics of Income--Individual Income Tax Returns, 1995--Publication 1304*.

Earned Income Credit--Several changes were made to the earned income credit for 1996. The maximum amount of the earned income credit increased, as did the amounts of *earned* income and AGI an individual could have and still claim the credit. Under the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, "modified AGI," rather than AGI, was used to compute the phaseout of the credit. Modified AGI does not include losses from sales of capital assets, estates and trusts, rents and royalties, and 50 percent of net business losses. In addition, taxpayers with more than \$2,200 of investment income were not eligible for the earned income credit. For most

Individual Income Tax Returns, 1996

people, investment income includes interest (taxable and tax-exempt), dividend income, and capital gain net income. The maximum credit for taxpayers with no qualifying children increased 2.9 percent for 1996, from \$314 to \$323. For these taxpayers, earned income and AGI had to be less than \$9,500 (up from \$9,230 for 1995). For taxpayers with one qualifying child, the maximum credit for 1996 increased 2.8 percent, from \$2,094 to \$2,152. For taxpayers with two or more qualifying children, the maximum credit increased 14.3 percent for 1996, from \$3,110 to \$3,556, reflecting the final phase-in of changes in OBRA93. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$25,078 for one qualifying child (up from \$24,396 for 1995), or less than \$28,495 for two or more qualifying children (up from \$26,673 for 1995).

Exemption Amount--Indexing for inflation allowed most taxpayers to claim a \$2,550 deduction for each exemption to which he or she was entitled for 1996, a \$50 increase over the amount allowed for 1995. The AGI threshold for the reduction of exemption amounts was also indexed for inflation, from \$114,700 to \$117,950 for single filers; \$172,050 to \$176,950 for married persons filing jointly and surviving spouses; \$143,350 to \$147,450 for heads of household; and \$86,025 to \$88,475 for married persons filing separately. For 1996, the phaseout of the deduction for exemptions was completed at AGI levels above \$240,450 for single filers; \$299,450 for married persons filing jointly and surviving spouses; \$269,950 for heads of household; and \$149,725 for married persons filing separately. Above these levels, no deduction for exemptions was allowed.

Itemized Deductions--If a taxpayer's AGI was greater than \$117,950 (\$58,975 if married filing separately), some types of his or her itemized deductions were limited; this threshold increased from \$114,700 (\$57,350) for 1995 as a result of indexing for inflation. The limitation did not apply to deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses; all other deductions were subject to the limitation. To arrive at allowable itemized deductions, total itemized deductions were reduced by the

smaller of: (1) 80 percent of the "non-limited" deductions or (2) 3 percent of AGI in excess of the limitation threshold.

Self-Employment Tax--The ceiling on taxable "self-employment income" was increased for 1996 due to indexing for inflation. The maximum amount of net earnings applied to the Social Security part of self-employment tax increased to \$62,700 from \$61,200 for 1995.

Social Security Numbers--Taxpayers were required to provide the Social Security number for each dependent claimed on their income tax returns, for each qualifying person for the child and dependent care credit, and for each qualifying child listed on Schedule EIC, unless the dependent was born in December 1996.

Standard Deduction--The basic standard deduction and additional standard deduction for age or blindness increased for 1996 as a result of inflation-indexing. For single filers, the basic standard deduction rose from \$3,900 to \$4,000; for married persons filing jointly or surviving spouses, from \$6,550 to \$6,700; for married persons filing separately, from \$3,275 to \$3,350; and for heads of household, from \$5,750 to \$5,900. The basic standard deduction claimed by filers who were dependents of other taxpayers remained \$650. The additional standard deduction for people age 65 or older or the blind increased from \$950 to \$1,000 for single filers and heads of household, and from \$750 to \$800 for married persons filing jointly, surviving spouses, and married persons filing separately.

Tax Brackets--To counterbalance the effects of inflation, the boundaries for the tax brackets were widened. The 15-percent bracket applied to taxable income equal to or below \$24,000 (\$23,350 for 1995) for single filers; \$40,100 (\$39,000 for 1995) for joint filers or surviving spouses; \$20,050 (\$19,500 for 1995) for married persons filing separately; and \$32,150 (\$31,250 for 1995) for heads of household. The 28-percent tax bracket applied to taxable income in excess of the 15-percent bracket ceiling and equal to or below \$58,150 (\$56,550 for 1995) for single filers; \$96,900 (\$94,250 for 1995) for joint filers or surviving spouses; \$48,450 (\$47,125 for 1995) for married persons filing separately; and \$83,050 (\$80,750 for 1995) for heads of

Individual Income Tax Returns, 1996

household. The 31-percent tax bracket applied to taxable income in excess of the 28-percent bracket ceiling and equal to or below \$121,300 (\$117,950 for 1995) for single filers; \$147,700 (\$143,600 for 1995) for joint filers or surviving spouses; \$73,850 (\$71,800 for 1995) for married persons filing separately; and \$134,500 (\$130,800 for 1995) for heads of household. The 36-percent tax bracket applied to taxable income in excess of the 31-percent bracket ceiling and equal to or below \$263,750 (\$256,500 for 1995) for single filers, joint filers or surviving spouses, and heads of household and \$131,875 (\$128,250 for 1995) for married persons filing separately. The 39.6-percent tax rate applied to taxable income in excess of the upper boundary for the 36-percent tax bracket.

Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, 1040EZ, and 1040PC, including electronically-filed returns) filed during Calendar Year 1997. Returns in the sample were stratified based on: (1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes [8]. Returns were then selected at rates ranging from 0.02 percent to 100 percent. The 1996 data are based on a sample of 126,420 returns and an estimated final population of 120,917,968 returns. The corresponding sample and population for the 1995 data were 114,591 and 118,650,252 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV's) are used to measure that magnitude. Figure M shows estimated CV's for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the appendix to this issue of the *Bulletin*.

Notes and References

- [1] U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*. The Consumer Price Index (CPI-U) for each year represents an annual average of monthly indices. CPI-U approximates the prices of goods and services purchased by typical urban consumers (1982-84=100):

<u>Year</u>	<u>CPI-U</u>	<u>Year</u>	<u>CPI-U</u>
1996	156.9	1987	113.6
1995	152.4	1986	109.6
1994	148.2	1985	107.6
1993	144.5	1984	103.9
1992	140.3	1983	99.6
1991	136.2	1982	96.5
1990	130.7	1981	90.9
1989	124.0	1980	82.4
1988	118.3	1979	72.6

- [2] For purposes of this article, total negative income is a compilation of all income items on individual income tax returns (Forms 1040, 1040A, 1040EZ, 1040PC, and electronically-filed returns) for which a net loss for an income category was reported by the taxpayer. The Form 1040 income tax return entry for Schedule E, *Supplemental Income and Loss (From rental real estate, royalties, partnerships, S Corporations, estates, trusts, REMICs, etc.)*, was separated into the following components: rent and royalty net loss, partnership and S Corporation net loss, and estate and trust net loss. When any of these components was negative on a return, the corresponding loss (rather than the netted total amount from Schedule E) was included in the statistics for total net loss. For example, if a return showed estate and trust net income of \$20,000 and rent and royalty net loss of \$12,000, total net loss would include the \$12,000 of estate and trust net loss, rather than the \$8,000 netted total of both sources of supplemental income.
- [3] Net operating loss is a carryover of the loss of a business when AGI for a prior year was less than zero. The loss could be applied to the AGI for

Individual Income Tax Returns, 1996

Figure M

Coefficients of Variation for Selected Items, Tax Year 1996

[Number of returns is in thousands--money amounts are in millions of dollars--coefficients of variation are percentages]

Item	Number of returns	Coefficient of variation	Amount	Coefficient of variation
	(1)	(2)	(3)	(4)
Adjusted gross income (less deficit).....	120,351	0.04	4,535,974	0.16
Salaries and wages.....	102,749	0.18	3,376,872	0.28
Business or profession:				
Net income.....	12,535	0.60	200,030	1.13
Net loss.....	4,201	1.74	23,126	2.26
Net capital gain (less loss) reported on Schedule D:				
Net gain.....	12,014	1.08	254,839	0.83
Net loss.....	4,622	1.88	8,879	2.02
Taxable Individual Retirement Arrangement distributions.....	5,831	1.84	45,539	3.06
Taxable pensions and annuities.....	19,272	0.93	238,787	1.36
Partnership and S Corporation:				
Net income.....	3,791	1.71	190,739	1.04
Net loss.....	2,201	2.56	43,960	1.84
Estate and trust:				
Net income.....	489	5.18	8,465	4.55
Net loss.....	44	14.73	749	7.66
Unemployment compensation.....	7,995	1.74	19,327	2.41
Taxable Social Security benefits.....	7,366	1.46	53,203	1.75
Other income:				
Net income.....	4,490	2.01	20,956	2.74
Net loss.....	208	7.42	4,215	5.59
Payments to an Individual Retirement Arrangement.....	4,374	2.14	8,628	2.22
Moving expenses adjustment.....	831	5.31	1,682	7.69
Self-employment tax deduction.....	13,204	0.70	14,044	1.10
Self-employed health insurance deduction.....	3,147	1.78	2,785	2.04
Total statutory adjustments.....	18,425	0.74	42,647	1.21
Total standard deduction.....	83,997	0.24	426,103	0.32
Interest paid deduction.....	29,803	0.63	233,151	0.70
Taxes paid deduction.....	34,855	0.55	203,776	0.48
Charitable contributions deduction.....	31,592	0.59	86,159	0.93
Total itemized deductions after limitation.....	35,415	0.54	572,541	0.55
Taxable income.....	96,577	0.24	3,089,667	0.21
Total earned income credit.....	19,464	0.99	28,825	1.23
Foreign tax credit.....	2,106	1.27	3,539	2.47
Total tax credits.....	15,851	1.14	11,304	1.33
Total income tax.....	90,929	0.26	658,245	0.23

the current year and carried forward for up to 15 years. Net operating loss is included in other income but edited separately for Statistics of Income purposes.

[4] The remaining 0.8 percent of the returns did not claim either a standard deduction or itemized

deductions because no AGI was reported.

[5] Average AGI is defined as the amount of AGI divided by the number of returns filed. Average taxable income is defined as the amount of taxable income divided by the number of returns with taxable income. Average total income tax is

Individual Income Tax Returns, 1996

defined as the amount of total income tax divided by the number of taxable returns. Taxable returns are defined as returns with “total income tax” (the sum of income tax after credits, the alternative minimum tax, and tax on Form 4970, *Tax on Accumulation Distribution of Trusts*) present. Tax on Form 4970 (not in the statistical tables) was \$11.5 million for 1996. This tax, previously part of income tax after credits, was included in “other taxes” for 1996.

- [6] U.S. Congress, *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* (H.R. 3734, 104th Congress; Public Law 104-193), August 22, 1996. Section 451 of this Act authorizes the Internal Revenue Service (IRS) to use mathematical error procedures when a taxpayer claims the EIC but omits or uses an invalid Social Security number (SSN) for the taxpayer, spouse, or qualifying child. In addition, Section 1615 of the Small Business Job Protection Act of 1996 gives the IRS similar authority when a taxpayer claims an exemption for the child or the child care credit, but does not provide a valid SSN for the dependent. The taxpayer was then given 60 days to provide the correct SSN. If the taxpayer provided this information, the tax record was updated on the IRS’s Integrated Data Retrieval System (IDRS). This article uses data retrieved *after* the IDRS tax

record update and, therefore, reflects any changes to the tax record.

- [7] Losses generated by any “flow-through” business activity (i.e., such as partnerships or S Corporations for which profits and certain other amounts are passed through to the owners for taxation) in which the taxpayer did not “materially participate” (i.e., was not involved regularly and substantially in the operations of the activity) are categorized as passive activity losses. TRA86 gradually eliminated the use of passive losses as offsets to nonpassive income, such as salaries and wages. TRA86 provided for a 5-year phase-in (ending in 1991) of the limitations on passive losses for investments made prior to 1987; since Tax Year 1991, the restrictions applied to all passive losses. However, exceptions up to \$25,000 were made for certain real estate losses. Under prior law, passive losses were fully deductible.
- [8] Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

SOURCE: Statistics of Income Bulletin, IRS Publication 1136, Fall 1998.

Individual Income Tax Returns, 1996

Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income (less deficit)	Salaries and wages		Taxable interest		Tax-exempt interest ¹	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns.....	120,351,208	4,535,974,492	102,748,874	3,376,871,545	67,159,338	165,672,564	5,000,839	48,216,666
No adjusted gross income.....	909,440	-54,552,801	340,687	7,229,017	553,627	3,689,214	48,175	793,957
\$1 under \$5,000.....	14,872,357	38,335,489	11,967,334	33,752,323	4,848,968	2,521,495	138,896	252,389
\$5,000 under \$10,000.....	13,601,747	102,094,998	10,799,931	75,362,220	4,577,787	5,513,422	140,559	451,494
\$10,000 under \$15,000.....	13,221,745	165,178,080	10,574,015	122,023,294	5,244,109	8,996,656	197,274	692,310
\$15,000 under \$20,000.....	11,610,325	202,259,769	9,563,777	154,146,817	5,093,621	9,937,344	223,133	827,639
\$20,000 under \$25,000.....	9,725,580	217,937,834	8,478,351	175,958,292	4,578,018	7,449,351	175,811	419,609
\$25,000 under \$30,000.....	8,061,651	221,082,456	7,127,849	181,231,265	4,368,376	6,636,023	212,832	1,030,559
\$30,000 under \$40,000.....	12,549,433	436,403,630	11,344,351	362,289,951	7,854,578	13,112,940	399,892	1,872,490
\$40,000 under \$50,000.....	9,538,700	426,758,316	8,711,204	353,813,808	6,939,024	11,280,690	465,443	2,385,724
\$50,000 under \$75,000.....	14,322,850	871,837,296	13,112,890	715,548,348	11,828,161	21,866,852	926,468	5,695,760
\$75,000 under \$100,000.....	5,801,418	498,359,118	5,289,642	394,900,707	5,368,554	14,781,625	593,117	4,395,763
\$100,000 under \$200,000.....	4,612,554	603,667,019	4,138,598	433,674,490	4,412,494	20,123,579	860,261	9,002,044
\$200,000 under \$500,000.....	1,198,671	347,404,070	1,024,530	204,711,499	1,169,535	14,046,560	436,609	8,329,447
\$500,000 under \$1,000,000.....	213,823	144,807,152	180,764	70,484,796	212,111	7,074,637	111,313	4,082,552
\$1,000,000 or more.....	110,912	314,402,063	94,953	91,744,720	110,375	18,642,177	71,058	7,984,926
Taxable returns.....	90,929,350	4,341,870,603	78,836,890	3,177,472,090	59,199,060	153,365,284	4,725,385	46,204,616
Nontaxable returns.....	29,421,858	194,103,889	23,911,984	199,399,455	7,960,279	12,307,280	275,454	2,012,050

Size of adjusted gross income	Dividends		State income tax refunds		Alimony received		Business or profession	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Net income	
							Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns.....	27,709,581	104,254,986	18,352,565	12,751,223	415,593	4,592,121	12,535,138	200,029,514
No adjusted gross income.....	277,019	1,063,770	59,797	133,759	6,195	39,431	125,304	1,487,523
\$1 under \$5,000.....	1,894,131	1,319,495	78,533	37,394	13,752	46,351	1,031,386	2,694,762
\$5,000 under \$10,000.....	1,513,103	2,388,238	165,564	53,594	39,583	161,831	1,494,108	8,665,955
\$10,000 under \$15,000.....	1,736,333	3,183,264	331,336	138,625	58,652	326,457	1,167,933	9,336,005
\$15,000 under \$20,000.....	1,706,385	3,272,506	496,532	176,248	59,620	504,713	1,000,800	10,202,295
\$20,000 under \$25,000.....	1,426,854	2,677,555	697,012	252,546	47,472	369,857	806,243	8,279,422
\$25,000 under \$30,000.....	1,462,220	3,114,738	932,834	398,196	45,262	416,517	781,529	8,305,697
\$30,000 under \$40,000.....	2,689,754	5,341,489	2,231,067	914,761	59,326	576,755	1,335,925	14,382,676
\$40,000 under \$50,000.....	2,564,998	5,847,446	2,502,084	1,075,247	30,743	485,342	1,086,551	13,945,483
\$50,000 under \$75,000.....	5,171,529	12,556,048	5,507,485	2,802,547	29,918	590,617	1,674,887	26,583,631
\$75,000 under \$100,000.....	2,929,817	9,404,169	2,597,130	1,592,765	14,874	405,370	798,270	19,059,990
\$100,000 under \$200,000.....	3,050,647	17,227,481	2,052,953	1,976,160	7,940	496,306	898,848	38,921,342
\$200,000 under \$500,000.....	990,010	13,595,922	536,254	1,354,789	1,727	124,476	269,369	25,559,008
\$500,000 under \$1,000,000.....	192,639	6,625,766	103,077	599,175	308	12,574	43,092	6,597,772
\$1,000,000 or more.....	104,143	16,637,097	60,907	1,245,417	221	35,525	20,893	6,007,954
Taxable returns.....	25,227,620	99,343,835	17,588,372	12,287,724	328,747	4,147,748	8,910,339	175,381,239
Nontaxable returns.....	2,481,961	4,911,150	764,193	463,498	86,845	444,374	3,624,799	24,648,274

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Business or profession--continued		Capital gain distributions reported on Form 1040		Sales of capital assets reported on Form 1040, Schedule D			
	Net loss				Taxable net gain		Taxable net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns.....	4,200,689	23,125,558	5,428,435	5,856,183	12,013,829	254,839,436	4,622,457	8,878,685
No adjusted gross income.....	305,167	5,280,873	22,672	22,937	126,598	5,608,470	196,594	475,075
\$1 under \$5,000.....	152,374	733,220	730,423	486,182	608,319	812,081	246,981	426,417
\$5,000 under \$10,000.....	210,972	846,412	253,134	196,761	611,103	1,447,835	259,573	513,507
\$10,000 under \$15,000.....	237,991	1,204,128	307,786	217,016	614,365	1,722,712	284,585	512,509
\$15,000 under \$20,000.....	282,516	1,262,380	327,006	248,445	694,252	2,477,576	250,069	470,984
\$20,000 under \$25,000.....	315,874	1,265,328	230,913	173,773	569,975	2,643,450	254,120	464,632
\$25,000 under \$30,000.....	232,316	987,830	244,067	300,382	546,099	2,143,397	220,529	391,022
\$30,000 under \$40,000.....	466,115	1,953,399	562,786	463,917	1,056,084	4,355,243	447,480	808,428
\$40,000 under \$50,000.....	465,028	1,660,660	583,667	505,501	994,143	5,357,156	453,639	798,642
\$50,000 under \$75,000.....	862,438	2,852,754	1,081,473	1,186,280	2,171,669	14,453,742	778,391	1,466,531
\$75,000 under \$100,000.....	333,678	1,382,434	556,592	780,910	1,405,241	14,276,702	450,808	883,823
\$100,000 under \$200,000.....	244,457	1,580,815	436,560	930,481	1,700,522	28,980,619	526,376	1,071,239
\$200,000 under \$500,000.....	70,009	923,931	81,674	265,006	679,894	35,918,358	200,654	458,774
\$500,000 under \$1,000,000.....	13,934	309,216	7,556	43,916	149,807	23,826,366	35,491	90,739
\$1,000,000 or more.....	7,822	882,180	2,126	34,677	85,757	110,815,731	17,167	46,362
Taxable returns.....	3,376,623	15,094,560	5,036,615	5,644,578	11,055,065	247,359,005	3,820,285	7,179,036
Nontaxable returns.....	824,066	8,030,998	391,820	211,606	958,763	7,480,431	802,172	1,699,650

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued							
	Short-term capital gain		Short-term capital loss		Short-term loss carryover		Short-term gain from other forms (Forms 2119, 6252, etc.)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns.....	5,465,864	47,126,638	4,299,709	58,255,783	777,330	25,820,888	136,707	1,674,690
No adjusted gross income.....	71,671	1,275,664	122,460	5,192,304	57,818	3,296,914	3,861	36,492
\$1 under \$5,000.....	228,076	275,787	149,211	1,290,933	36,684	901,345	*1,293	*6,018
\$5,000 under \$10,000.....	228,442	420,090	159,185	1,320,830	43,051	930,037	*5,854	*32,591
\$10,000 under \$15,000.....	232,884	634,821	167,804	1,256,316	27,578	644,503	11,353	35,945
\$15,000 under \$20,000.....	228,548	683,978	148,071	1,230,232	17,797	590,360	9,442	39,690
\$20,000 under \$25,000.....	224,945	673,116	176,070	1,502,835	42,834	858,492	5,915	12,352
\$25,000 under \$30,000.....	203,688	595,983	176,952	1,238,553	25,088	481,613	9,591	35,769
\$30,000 under \$40,000.....	409,566	1,112,072	331,538	4,297,196	58,084	2,849,134	6,353	46,291
\$40,000 under \$50,000.....	419,528	1,562,080	353,723	2,637,631	54,767	1,123,177	9,337	50,716
\$50,000 under \$75,000.....	986,384	3,559,497	744,688	6,001,516	131,200	2,590,051	30,050	107,039
\$75,000 under \$100,000.....	662,645	3,687,836	485,815	4,510,200	75,170	1,848,452	5,679	38,063
\$100,000 under \$200,000.....	963,993	7,291,194	728,812	9,004,271	111,431	3,752,939	19,761	157,796
\$200,000 under \$500,000.....	422,848	7,508,865	389,198	7,778,325	68,670	2,964,134	10,869	226,674
\$500,000 under \$1,000,000.....	111,409	4,565,582	101,597	3,689,740	16,424	1,095,285	3,682	224,870
\$1,000,000 or more.....	71,238	13,280,072	64,585	7,304,901	10,735	1,894,452	3,666	624,384
Taxable returns.....	5,064,613	44,323,909	3,860,772	47,856,277	619,383	19,592,147	123,195	1,554,104
Nontaxable returns.....	401,252	2,802,729	438,936	10,399,506	157,947	6,228,742	13,512	120,586

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued							
	Short-term loss from other forms (Forms 4684, 6781, and 8824)		Long-term capital gain		Long-term capital loss		Long-term loss carryover	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns.....	91,584	931,373	13,048,507	261,689,924	6,563,294	89,548,156	1,858,504	51,083,955
No adjusted gross income.....	4,146	76,337	198,382	7,765,646	178,685	12,245,413	97,781	7,853,914
\$1 under \$5,000.....	*2,935	*11,831	675,298	1,038,534	282,738	2,119,628	95,752	1,328,438
\$5,000 under \$10,000.....	5,988	12,094	682,086	1,761,070	304,186	3,455,367	109,897	2,543,361
\$10,000 under \$15,000.....	*2,706	*4,843	659,889	2,095,911	331,498	3,058,501	106,336	2,007,304
\$15,000 under \$20,000.....	1,865	37,380	706,306	2,759,250	338,139	3,778,261	130,122	2,504,899
\$20,000 under \$25,000.....	*4,812	*2,976	609,467	2,780,907	333,436	3,293,765	95,788	2,447,433
\$25,000 under \$30,000.....	*1,990	*23,572	590,060	2,551,178	272,849	2,622,354	90,213	1,758,907
\$30,000 under \$40,000.....	8,169	12,640	1,113,546	4,877,202	540,537	4,433,888	132,872	2,619,811
\$40,000 under \$50,000.....	5,666	8,995	1,108,396	5,824,420	551,550	4,959,477	134,698	2,553,649
\$50,000 under \$75,000.....	9,306	51,832	2,301,290	15,886,036	1,140,134	9,973,372	285,548	5,823,128
\$75,000 under \$100,000.....	9,008	50,514	1,513,401	14,808,904	704,056	7,241,364	174,073	4,677,936
\$100,000 under \$200,000.....	14,189	107,721	1,851,900	30,207,992	986,022	10,946,942	241,712	5,794,033
\$200,000 under \$500,000.....	10,605	87,505	772,487	37,496,957	436,242	9,302,961	121,796	4,736,742
\$500,000 under \$1,000,000.....	4,145	64,417	169,243	24,020,309	101,239	3,765,262	26,038	1,626,396
\$1,000,000 or more.....	6,052	378,717	96,757	107,815,610	61,983	8,351,603	15,878	2,808,004
Taxable returns.....	75,016	783,721	11,840,352	250,781,179	5,760,648	66,876,465	1,490,891	36,391,937
Nontaxable returns.....	16,569	147,653	1,208,155	10,908,745	802,646	22,671,691	367,613	14,692,018

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued						Sales of property other than capital assets	
	Long-term gain from other forms (Forms 2119, 4797, etc.)		Long-term loss from other forms (Forms 4684, 6781, and 8824)		Schedule D gain subject to 28-percent tax rate		Net gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns.....	2,916,793	66,795,699	89,935	1,236,568	2,500,784	168,600,085	818,135	6,531,881
No adjusted gross income.....	74,483	3,517,442	3,871	115,113	--	--	41,571	669,181
\$1 under \$5,000.....	67,385	212,788	*4,740	*33,436	--	--	19,374	26,659
\$5,000 under \$10,000.....	114,269	356,140	7,950	18,454	--	--	37,822	97,459
\$10,000 under \$15,000.....	149,196	570,391	3,937	8,669	--	--	39,238	235,561
\$15,000 under \$20,000.....	195,604	1,054,214	*1,826	*23,664	--	--	54,961	205,607
\$20,000 under \$25,000.....	159,639	868,147	*3,424	*3,817	--	--	47,548	161,952
\$25,000 under \$30,000.....	146,203	834,688	*3,448	*29,425	--	--	36,647	143,224
\$30,000 under \$40,000.....	268,157	1,478,376	8,933	26,624	--	--	63,012	303,225
\$40,000 under \$50,000.....	254,482	1,674,037	6,736	15,654	--	--	72,310	363,699
\$50,000 under \$75,000.....	473,584	4,569,164	9,272	77,504	98,308	787,121	132,121	937,276
\$75,000 under \$100,000.....	307,246	3,789,917	7,256	71,185	244,646	2,823,814	83,003	663,614
\$100,000 under \$200,000.....	405,231	7,962,093	10,667	111,185	1,225,844	19,020,557	112,534	976,968
\$200,000 under \$500,000.....	207,693	10,792,301	9,053	106,395	702,715	29,921,542	50,121	812,503
\$500,000 under \$1,000,000.....	56,373	7,062,082	3,517	70,921	145,830	19,914,688	16,330	352,398
\$1,000,000 or more.....	37,249	22,053,918	5,304	524,519	83,441	96,132,362	11,543	582,554
Taxable returns.....	2,588,506	62,629,403	72,700	997,943	2,500,680	168,585,684	672,433	5,588,831
Nontaxable returns.....	328,288	4,166,296	17,235	238,624	104	14,401	145,702	943,050

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Sales of property other than capital assets--continued		Total taxable IRA distributions		Pensions and annuities			
	Net loss				Total		Taxable	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
All returns.....	1,003,901	8,816,375	5,831,146	45,538,743	20,675,450	344,907,107	19,272,307	238,786,811
No adjusted gross income.....	77,082	3,042,461	22,990	277,797	112,847	1,370,915	103,091	747,601
\$1 under \$5,000.....	35,284	223,035	87,431	226,555	536,356	2,400,910	498,781	1,126,803
\$5,000 under \$10,000.....	53,907	173,764	411,952	1,190,092	1,670,897	10,360,686	1,622,016	7,851,461
\$10,000 under \$15,000.....	53,593	285,557	582,406	2,263,203	2,419,882	20,577,435	2,370,901	16,984,969
\$15,000 under \$20,000.....	46,414	200,874	664,102	2,578,290	2,257,713	23,660,958	2,196,445	19,873,797
\$20,000 under \$25,000.....	47,086	207,569	494,641	2,456,806	1,698,125	22,242,806	1,613,124	17,842,911
\$25,000 under \$30,000.....	40,068	251,578	456,647	2,332,557	1,400,106	19,825,523	1,327,497	15,785,934
\$30,000 under \$40,000.....	87,103	346,419	716,432	4,361,063	2,283,630	34,165,156	2,143,430	26,953,287
\$40,000 under \$50,000.....	77,186	288,519	554,394	3,920,217	1,943,795	32,812,005	1,812,958	23,920,699
\$50,000 under \$75,000.....	135,375	510,510	940,756	8,202,180	3,364,650	67,642,865	3,033,433	48,549,094
\$75,000 under \$100,000.....	76,824	425,880	443,881	6,099,712	1,460,400	38,856,577	1,288,302	26,024,292
\$100,000 under \$200,000.....	134,719	961,505	333,471	6,193,298	1,164,965	45,618,126	976,622	24,345,819
\$200,000 under \$500,000.....	94,852	870,890	101,431	4,200,566	288,869	17,121,849	228,082	6,206,342
\$500,000 under \$1,000,000.....	24,379	359,478	13,722	774,557	46,760	4,994,559	36,378	1,486,559
\$1,000,000 or more.....	20,030	668,334	6,891	461,850	26,455	3,256,736	21,246	1,087,244
Taxable returns.....	798,335	4,853,866	5,168,863	43,070,967	17,814,557	325,044,122	16,539,553	224,711,550
Nontaxable returns.....	205,566	3,962,509	662,283	2,467,776	2,860,893	19,862,985	2,732,754	14,075,262

Size of adjusted gross income	Rent				Royalty			
	Net income		Net loss (including nondeductible loss)		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns.....	4,425,733	37,528,003	4,762,790	27,638,575	1,079,585	5,966,670	29,775	71,470
No adjusted gross income.....	74,879	928,478	155,581	2,171,078	25,144	166,354	**1,480	**11,044
\$1 under \$5,000.....	133,713	344,496	115,219	533,762	32,033	39,560	**	**
\$5,000 under \$10,000.....	291,641	944,230	172,412	677,417	58,643	56,085	**	**
\$10,000 under \$15,000.....	316,355	1,262,122	220,409	945,964	70,395	99,778	*2,195	*2,117
\$15,000 under \$20,000.....	324,384	1,303,044	280,147	1,307,541	81,606	126,835	*1,145	*184
\$20,000 under \$25,000.....	281,605	1,177,780	255,833	1,255,158	50,083	161,518	*2,260	*174
\$25,000 under \$30,000.....	255,013	1,120,374	269,698	1,139,523	59,862	190,521	*2,385	*633
\$30,000 under \$40,000.....	434,607	1,932,770	511,174	2,604,479	105,227	258,240	*4,819	*1,272
\$40,000 under \$50,000.....	416,910	2,024,287	457,152	2,158,571	91,459	164,113	*1,116	*45
\$50,000 under \$75,000.....	750,149	4,972,114	999,116	5,061,437	168,651	427,822	*2,776	*7,914
\$75,000 under \$100,000.....	380,559	3,331,789	544,672	3,114,336	84,811	444,049	*1,699	*1,249
\$100,000 under \$200,000.....	483,318	6,858,767	561,503	4,064,433	149,285	1,002,084	5,938	17,695
\$200,000 under \$500,000.....	211,628	5,765,547	169,903	1,771,086	69,531	960,173	2,285	6,782
\$500,000 under \$1,000,000.....	44,490	2,432,928	32,750	459,423	18,618	616,710	954	13,229
\$1,000,000 or more.....	26,482	3,129,275	17,218	374,368	14,237	1,252,828	722	9,131
Taxable returns.....	3,731,227	34,210,650	4,138,158	23,045,157	943,667	5,630,709	26,494	58,017
Nontaxable returns.....	694,505	3,317,352	624,632	4,593,418	135,918	335,962	3,281	13,452

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Farm rental				Total rental and royalty			
	Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
All returns.....	507,860	3,980,631	143,881	490,884	5,480,132	46,683,820	4,620,335	26,119,655
No adjusted gross income.....	3,903	27,261	2,275	29,283	91,148	1,013,408	158,263	2,375,052
\$1 under \$5,000.....	12,404	18,608	*4,095	*32,716	170,630	397,762	117,222	557,466
\$5,000 under \$10,000.....	36,152	131,221	*10,693	*16,747	365,024	1,106,434	171,340	665,712
\$10,000 under \$15,000.....	58,711	280,201	*19,145	*51,049	409,138	1,631,910	238,694	948,144
\$15,000 under \$20,000.....	45,750	173,811	*11,053	*10,469	418,933	1,585,870	281,235	1,256,072
\$20,000 under \$25,000.....	36,908	242,693	*1,942	*3,738	339,126	1,558,704	255,111	1,235,929
\$25,000 under \$30,000.....	34,406	215,441	*11,141	*38,144	318,994	1,496,433	269,939	1,170,106
\$30,000 under \$40,000.....	54,131	384,548	*8,597	*9,744	553,090	2,557,638	513,571	2,502,612
\$40,000 under \$50,000.....	39,692	315,714	14,252	37,233	502,563	2,455,290	463,860	2,159,585
\$50,000 under \$75,000.....	92,101	765,267	31,323	141,354	919,070	6,084,799	1,009,226	5,174,646
\$75,000 under \$100,000.....	30,708	441,739	15,262	41,848	450,637	4,175,090	553,537	3,214,220
\$100,000 under \$200,000.....	45,907	742,277	10,545	52,697	603,790	8,441,023	472,236	3,005,307
\$200,000 under \$500,000.....	13,712	168,794	2,547	16,192	248,055	6,770,081	83,916	1,130,573
\$500,000 under \$1,000,000.....	2,225	42,503	637	3,561	55,584	3,037,962	19,909	374,431
\$1,000,000 or more.....	1,149	30,554	373	6,109	34,350	4,371,417	12,278	349,801
Taxable returns.....	446,964	3,662,875	123,835	379,742	4,644,863	42,852,396	3,991,932	21,317,780
Nontaxable returns.....	60,896	317,756	20,046	111,142	835,269	3,831,424	628,403	4,801,874

Size of adjusted gross income	Partnership and S Corporation				Estate and trust			
	Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)
All returns.....	3,790,559	190,739,214	2,200,912	43,959,596	489,086	8,465,068	44,122	748,625
No adjusted gross income.....	38,895	1,484,736	157,055	15,277,878	8,581	119,491	4,098	149,654
\$1 under \$5,000.....	90,978	199,830	87,432	742,879	22,194	53,174	*1,269	*10,663
\$5,000 under \$10,000.....	133,557	560,007	82,367	565,871	29,082	55,320	*1,579	*20,850
\$10,000 under \$15,000.....	131,161	861,291	84,632	672,055	21,544	113,876	*1,035	*4,521
\$15,000 under \$20,000.....	136,595	871,027	103,538	861,227	22,479	94,224	**347	**2,148
\$20,000 under \$25,000.....	168,425	1,513,334	100,328	891,277	23,693	53,583	**	**
\$25,000 under \$30,000.....	127,851	1,267,570	100,665	815,950	23,248	105,866	*1,370	*7,483
\$30,000 under \$40,000.....	296,636	2,771,486	187,619	1,294,124	48,035	256,443	**5,378	**5,308
\$40,000 under \$50,000.....	277,819	3,285,470	189,569	1,143,573	43,993	274,905	**	**
\$50,000 under \$75,000.....	635,739	8,491,058	337,192	2,518,671	64,442	600,612	3,964	18,058
\$75,000 under \$100,000.....	404,242	7,711,324	254,965	2,471,938	46,835	422,746	4,420	25,752
\$100,000 under \$200,000.....	750,857	28,103,497	309,521	3,489,521	79,619	1,575,135	12,645	84,447
\$200,000 under \$500,000.....	425,089	40,882,191	149,126	4,225,694	36,736	1,365,357	5,195	67,079
\$500,000 under \$1,000,000.....	108,577	26,165,658	34,879	2,376,874	10,156	699,735	1,329	40,207
\$1,000,000 or more.....	64,136	66,570,734	22,024	6,612,064	8,448	2,674,601	1,494	312,454
Taxable returns.....	3,469,082	187,617,985	1,809,363	26,141,542	446,063	8,291,398	36,107	573,791
Nontaxable returns.....	321,477	3,121,229	391,549	17,818,055	43,023	173,670	8,015	174,833

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Farm				Unemployment compensation		Social Security benefits	
	Net income		Net loss				Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)
All returns.....	727,512	8,915,212	1,460,513	16,027,197	7,995,015	19,326,824	10,961,473	130,679,153
No adjusted gross income.....	17,788	213,276	124,578	3,343,694	11,564	38,663	66,633	737,771
\$1 under \$5,000.....	49,188	133,273	71,545	512,512	294,211	382,648	423,061	3,687,715
\$5,000 under \$10,000.....	72,398	282,079	90,692	603,571	991,829	1,993,019	900,157	9,126,157
\$10,000 under \$15,000.....	53,305	375,707	101,651	684,334	1,147,103	2,582,992	994,029	11,158,155
\$15,000 under \$20,000.....	63,804	473,850	133,539	1,065,465	948,617	2,420,669	904,623	10,282,714
\$20,000 under \$25,000.....	58,838	644,193	126,075	923,705	873,613	2,171,279	832,048	10,046,563
\$25,000 under \$30,000.....	58,884	559,662	97,502	754,152	601,328	1,493,613	894,237	10,800,092
\$30,000 under \$40,000.....	82,927	825,198	153,575	1,408,909	1,047,123	2,761,403	1,502,335	17,388,210
\$40,000 under \$50,000.....	68,957	801,400	147,871	1,264,448	694,846	1,800,261	1,129,724	12,673,408
\$50,000 under \$75,000.....	104,534	1,588,452	214,672	1,879,723	1,018,293	2,581,966	1,753,502	21,376,811
\$75,000 under \$100,000.....	40,838	817,281	84,915	749,549	236,834	683,098	756,322	10,454,384
\$100,000 under \$200,000.....	42,824	1,442,364	76,577	1,212,163	112,917	354,100	582,783	9,152,719
\$200,000 under \$500,000.....	9,885	505,687	26,787	799,821	15,051	56,432	175,576	2,950,129
\$500,000 under \$1,000,000.....	2,066	128,363	6,308	331,619	1,276	5,158	30,248	536,712
\$1,000,000 or more.....	1,275	124,427	4,227	493,533	408	1,524	16,194	307,615
Taxable returns.....	533,333	7,605,400	1,083,829	10,729,736	5,955,069	15,211,535	9,421,414	113,871,987
Nontaxable returns.....	194,179	1,309,812	376,684	5,297,461	2,039,946	4,115,290	1,540,059	16,807,166

Size of adjusted gross income	Social Security benefits--continued		Foreign-earned income exclusion ²		Other income ²			
	Taxable				Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)
All returns.....	7,365,955	53,203,171	279,004	11,982,578	4,490,024	20,955,670	208,336	4,214,590
No adjusted gross income.....	1,522	6,885	49,507	1,728,367	52,325	732,645	18,581	1,201,879
\$1 under \$5,000.....	14,245	47,764	59,581	2,233,734	294,369	421,219	10,598	73,460
\$5,000 under \$10,000.....	11,379	63,331	23,886	832,273	308,501	746,511	12,789	86,470
\$10,000 under \$15,000.....	24,726	79,247	16,266	678,286	322,253	674,014	13,998	88,362
\$15,000 under \$20,000.....	98,757	221,960	13,561	522,723	284,715	670,195	7,695	84,487
\$20,000 under \$25,000.....	480,740	497,401	10,346	414,625	263,248	694,104	4,278	93,675
\$25,000 under \$30,000.....	793,367	1,672,748	8,260	362,523	225,186	508,766	9,237	111,380
\$30,000 under \$40,000.....	1,496,870	5,740,044	13,852	630,879	434,271	988,513	15,877	89,138
\$40,000 under \$50,000.....	1,129,724	7,488,968	10,305	516,536	402,899	1,082,106	13,968	120,866
\$50,000 under \$75,000.....	1,753,502	17,504,651	21,431	1,011,766	802,134	2,280,899	34,157	333,476
\$75,000 under \$100,000.....	756,322	8,875,239	12,176	696,343	383,824	1,289,503	16,017	255,378
\$100,000 under \$200,000.....	582,783	7,779,689	23,350	1,326,592	464,310	2,667,975	27,593	698,506
\$200,000 under \$500,000.....	175,576	2,507,577	12,741	788,483	178,939	2,998,401	17,898	664,301
\$500,000 under \$1,000,000.....	30,248	456,199	2,626	168,357	43,689	1,676,910	3,767	187,998
\$1,000,000 or more.....	16,194	261,469	1,116	71,092	29,362	3,523,909	1,883	125,215
Taxable returns.....	7,244,531	52,662,747	132,042	6,357,045	3,824,448	18,731,166	163,759	2,819,103
Nontaxable returns.....	121,424	540,424	146,962	5,625,533	665,575	2,224,504	44,577	1,395,487

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Net operating loss ²		Gambling earnings ²		Statutory adjustments			
	Number of returns	Amount	Number of returns	Amount	Total		Primary IRA payments	
					Number of returns	Amount	Number of returns	Amount
	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)
All returns.....	503,913	49,749,182	1,125,408	8,229,479	18,424,901	42,646,933	3,970,788	6,207,337
No adjusted gross income.....	278,893	45,910,929	8,605	90,374	193,205	435,120	22,497	40,450
\$1 under \$5,000.....	62,498	356,547	16,055	29,921	1,095,103	510,270	112,702	151,655
\$5,000 under \$10,000.....	26,065	202,297	51,144	120,310	1,760,083	1,250,153	137,918	225,102
\$10,000 under \$15,000.....	25,817	169,556	97,952	266,334	1,524,042	1,587,601	285,032	430,806
\$15,000 under \$20,000.....	27,604	220,500	70,169	200,272	1,439,108	1,955,084	321,640	524,384
\$20,000 under \$25,000.....	12,232	232,190	102,972	344,839	1,333,729	2,076,581	405,616	636,093
\$25,000 under \$30,000.....	13,372	124,095	49,787	170,842	1,316,503	2,024,855	463,577	665,005
\$30,000 under \$40,000.....	13,868	133,179	126,245	437,665	2,208,911	3,817,692	742,232	1,060,119
\$40,000 under \$50,000.....	9,873	158,930	136,854	521,570	1,786,783	3,355,157	511,209	696,490
\$50,000 under \$75,000.....	14,915	293,368	210,614	1,059,634	2,414,019	5,571,887	403,400	703,938
\$75,000 under \$100,000.....	2,213	119,089	133,146	754,796	1,192,416	4,135,407	214,150	400,937
\$100,000 under \$200,000.....	10,171	376,565	87,638	1,516,765	1,436,073	8,253,410	243,043	464,937
\$200,000 under \$500,000.....	4,011	353,528	26,802	1,157,622	551,107	5,351,231	88,233	169,823
\$500,000 under \$1,000,000.....	1,388	270,279	4,752	672,082	111,556	1,404,233	13,103	25,275
\$1,000,000 or more.....	992	828,130	2,675	886,454	62,263	918,252	6,436	12,323
Taxable returns.....	115,431	12,971,993	980,653	7,646,048	14,358,789	39,082,472	3,684,061	5,792,215
Nontaxable returns.....	388,483	36,777,190	144,755	583,430	4,066,112	3,564,462	286,727	415,123

Size of adjusted gross income	Statutory adjustments--continued							
	Secondary IRA payments		Moving expenses adjustment		Deduction for self-employment tax		Payments to a Keogh plan	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)
All returns.....	1,663,101	2,420,197	830,721	1,681,562	13,204,164	14,044,148	1,079,413	8,979,382
No adjusted gross income.....	7,635	12,585	9,710	17,486	141,314	108,019	1,204	19,449
\$1 under \$5,000.....	5,506	8,316	*4,974	*10,226	947,298	207,660	*2,155	*3,939
\$5,000 under \$10,000.....	9,555	15,965	43,406	70,920	1,556,329	665,045	*4,372	*5,899
\$10,000 under \$15,000.....	40,278	64,045	54,830	62,326	1,198,149	735,849	8,348	14,242
\$15,000 under \$20,000.....	85,291	113,033	46,906	87,138	1,042,940	788,647	29,201	79,313
\$20,000 under \$25,000.....	104,188	157,612	59,754	95,330	835,537	719,153	17,545	51,192
\$25,000 under \$30,000.....	128,996	200,092	54,764	62,576	797,409	704,244	25,740	68,532
\$30,000 under \$40,000.....	309,130	424,888	106,353	151,633	1,351,869	1,204,448	65,878	223,612
\$40,000 under \$50,000.....	273,302	288,207	105,913	201,012	1,107,706	1,188,668	86,378	305,848
\$50,000 under \$75,000.....	263,137	422,347	152,415	231,534	1,743,310	2,210,123	188,725	808,367
\$75,000 under \$100,000.....	160,606	261,101	78,349	273,097	850,986	1,388,903	166,871	981,265
\$100,000 under \$200,000.....	186,724	303,725	94,114	321,994	1,088,064	2,286,461	299,007	3,139,263
\$200,000 under \$500,000.....	73,209	123,353	17,025	81,501	415,155	1,246,858	144,636	2,482,340
\$500,000 under \$1,000,000.....	10,379	16,932	1,606	9,552	82,236	319,931	27,788	568,828
\$1,000,000 or more.....	5,163	7,996	601	5,237	45,863	270,138	11,566	227,293
Taxable returns.....	1,571,854	2,283,675	765,977	1,543,790	9,523,385	12,107,596	1,063,258	8,892,128
Nontaxable returns.....	91,246	136,522	64,743	137,772	3,680,779	1,936,552	16,156	87,254

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Statutory adjustments--continued							
	Forfeited interest penalty		Alimony paid		Self-employed health insurance deduction		Other adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)
All returns.....	708,631	167,528	597,157	5,668,169	3,147,032	2,785,382	120,561	618,170
No adjusted gross income.....	11,980	2,468	9,525	170,619	52,780	48,047	*1,584	*14,417
\$1 under \$5,000.....	36,019	5,904	14,589	39,928	94,448	48,007	*7,750	*34,168
\$5,000 under \$10,000.....	62,582	12,144	15,516	127,447	166,363	104,784	*5,769	*19,776
\$10,000 under \$15,000.....	63,242	20,259	21,775	93,255	214,821	147,002	*6,090	*16,390
\$15,000 under \$20,000.....	59,865	7,793	34,315	164,322	223,117	172,795	*9,260	*15,935
\$20,000 under \$25,000.....	81,239	14,804	24,370	122,147	243,949	185,867	*7,906	*90,217
\$25,000 under \$30,000.....	40,892	5,480	32,384	149,116	218,391	163,162	*6,650	*4,343
\$30,000 under \$40,000.....	85,566	25,237	68,286	403,788	367,422	302,053	*8,369	*19,153
\$40,000 under \$50,000.....	82,198	10,697	67,834	369,313	290,295	231,757	20,243	60,472
\$50,000 under \$75,000.....	94,507	21,456	111,507	714,477	414,982	365,575	21,423	87,252
\$75,000 under \$100,000.....	32,472	11,555	66,958	496,188	252,549	259,431	12,720	58,323
\$100,000 under \$200,000.....	44,092	24,354	82,685	1,235,481	353,584	382,813	9,197	85,228
\$200,000 under \$500,000.....	10,505	4,010	34,287	889,675	185,244	268,900	2,515	68,063
\$500,000 under \$1,000,000.....	2,642	537	8,114	356,713	44,243	66,531	810	29,416
\$1,000,000 or more.....	831	832	5,013	335,702	24,844	38,658	275	15,017
Taxable returns.....	589,522	143,414	563,701	5,378,698	2,617,480	2,373,273	106,641	505,578
Nontaxable returns.....	119,109	24,115	33,456	289,471	529,553	412,109	13,919	112,592

Size of adjusted gross income	Basic standard deduction		Additional standard deduction		Total itemized deductions after limitation		Exemption amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)
All returns.....	83,996,917	412,808,983	11,042,761	13,293,990	35,414,589	572,541,293	238,626,393	598,860,677
No adjusted gross income.....	--	--	--	--	--	--	1,611,907	4,101,530
\$1 under \$5,000.....	14,667,224	48,624,421	853,353	924,100	204,305	2,206,351	11,505,979	29,293,806
\$5,000 under \$10,000.....	13,102,931	61,203,911	1,849,211	2,034,455	495,708	4,686,054	19,029,827	48,473,040
\$10,000 under \$15,000.....	12,331,099	61,907,212	2,195,271	2,624,441	889,415	8,827,240	22,983,045	58,566,841
\$15,000 under \$20,000.....	10,352,879	52,954,227	1,638,312	2,016,204	1,245,013	13,016,773	21,623,880	55,099,462
\$20,000 under \$25,000.....	8,179,878	42,677,981	1,053,287	1,342,515	1,545,702	15,211,056	19,174,445	48,865,990
\$25,000 under \$30,000.....	6,215,800	32,932,786	691,293	856,527	1,842,743	19,048,138	16,310,630	41,571,791
\$30,000 under \$40,000.....	8,274,448	46,299,634	945,744	1,160,209	4,274,985	45,009,898	28,000,053	71,356,382
\$40,000 under \$50,000.....	4,963,225	29,285,544	609,777	744,211	4,566,118	53,059,428	23,590,573	60,128,812
\$50,000 under \$75,000.....	4,529,846	28,247,665	783,989	1,024,568	9,792,906	131,283,539	40,014,008	102,003,173
\$75,000 under \$100,000.....	898,192	5,646,057	265,892	350,033	4,903,217	84,321,964	16,871,214	43,005,030
\$100,000 under \$200,000.....	377,320	2,388,738	125,776	176,532	4,235,193	99,815,487	13,429,187	33,682,208
\$200,000 under \$500,000.....	75,553	462,665	24,763	32,446	1,123,077	47,603,808	3,553,669	2,712,612
\$500,000 under \$1,000,000.....	19,746	123,651	4,360	5,524	194,077	15,914,229	616,734	(³)
\$1,000,000 or more.....	8,776	54,492	1,735	2,225	102,129	32,537,330	311,245	(³)
Taxable returns.....	57,565,480	282,333,438	8,361,227	10,097,342	33,329,940	537,679,516	179,658,326	448,644,008
Nontaxable returns.....	26,431,437	130,475,545	2,681,535	3,196,648	2,084,649	34,861,778	58,968,067	150,216,669

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

** Data combined to avoid disclosure of information for specific taxpayers.

¹ Not included in adjusted gross income.

² Other income includes all items reported on line 21 of Form 1040 such as prizes, awards, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in the previous year, and any other income subject to tax for which no specific line was provided on the form. Any foreign-earned income exclusion or net operating loss in an earlier year (that was not carried forward and deducted for 1995) was entered as a negative amount on line 21 by the taxpayer but was edited into separate fields during Statistics of Income (SOI) processing. Gambling earnings entered on line 21 by the taxpayer were also edited into a separate field during SOI processing.

³ No exemption amount allowed at these income levels.

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

Individual Income Tax Returns, 1996

Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Taxable income		Income tax before credits		Tax credits	
		Number of returns	Amount	Number of returns	Amount	Total	
						Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns.....	120,351,208	96,576,755	3,089,667,389	96,522,237	666,724,167	15,851,420	11,303,708
No adjusted gross income.....	909,440	--	--	1,318	206	83	8
\$1 under \$5,000.....	14,872,357	3,890,498	2,528,474	3,835,254	431,088	88,179	2,221
\$5,000 under \$10,000.....	13,601,747	6,677,074	14,087,295	6,677,960	2,152,574	1,159,574	84,470
\$10,000 under \$15,000.....	13,221,745	9,656,696	44,218,109	9,657,470	6,663,041	1,745,761	465,134
\$15,000 under \$20,000.....	11,610,325	10,742,482	82,688,941	10,742,481	12,443,197	2,987,986	1,786,185
\$20,000 under \$25,000.....	9,725,580	9,437,082	110,948,882	9,437,267	16,658,611	2,535,898	1,597,099
\$25,000 under \$30,000.....	8,061,651	7,953,525	128,039,293	7,954,192	19,258,823	1,140,860	450,927
\$30,000 under \$40,000.....	12,549,433	12,481,128	273,188,362	12,481,128	42,849,395	1,057,867	474,499
\$40,000 under \$50,000.....	9,538,700	9,506,924	284,066,359	9,506,924	46,667,664	941,399	411,086
\$50,000 under \$75,000.....	14,322,850	14,303,231	609,539,154	14,300,120	105,784,298	1,884,491	934,765
\$75,000 under \$100,000.....	5,801,418	5,797,564	365,077,448	5,797,564	73,817,638	860,362	582,984
\$100,000 under \$200,000.....	4,612,554	4,609,154	467,738,769	4,609,154	110,365,204	939,977	993,857
\$200,000 under \$500,000.....	1,198,671	1,197,118	296,724,135	1,197,120	87,904,336	357,773	1,111,362
\$500,000 under \$1,000,000.....	213,823	213,522	128,864,381	213,523	43,758,411	93,136	699,579
\$1,000,000 or more.....	110,912	110,758	281,957,786	110,762	97,969,684	58,075	1,709,530
Taxable returns.....	90,929,350	90,900,468	3,071,311,050	90,914,105	663,952,405	10,243,288	8,531,945
Nontaxable returns.....	29,421,858	5,676,287	18,356,338	5,608,132	2,771,763	5,608,132	2,771,763

Size of adjusted gross income	Tax credits--continued							
	Child care credit		Credit for the elderly or disabled		Earned income credit used to offset income tax before credits		Minimum tax credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All returns.....	5,974,146	2,531,383	168,012	31,836	8,194,823	3,562,894	117,414	669,545
No adjusted gross income.....	--	--	--	--	--	--	*53	*5
\$1 under \$5,000.....	--	--	*1,231	*399	--	--	*4,338	*85
\$5,000 under \$10,000.....	*4,663	*1,688	50,875	6,603	1,048,587	72,412	--	--
\$10,000 under \$15,000.....	229,758	59,440	58,584	13,152	1,471,765	385,847	*3	*1
\$15,000 under \$20,000.....	550,639	225,118	49,877	9,539	2,671,384	1,534,887	*8	*7
\$20,000 under \$25,000.....	473,905	208,485	*7,446	*2,144	2,351,041	1,352,375	*120	*70
\$25,000 under \$30,000.....	494,746	209,053	--	--	652,046	217,373	309	152
\$30,000 under \$40,000.....	903,544	383,763	--	--	--	--	3,506	2,455
\$40,000 under \$50,000.....	748,641	312,541	--	--	--	--	5,916	1,017
\$50,000 under \$75,000.....	1,515,684	653,827	--	--	--	--	9,627	22,968
\$75,000 under \$100,000.....	561,211	247,053	--	--	--	--	16,509	29,021
\$100,000 under \$200,000.....	417,906	191,893	--	--	--	--	31,958	63,849
\$200,000 under \$500,000.....	64,000	32,974	--	--	--	--	30,234	166,615
\$500,000 under \$1,000,000.....	7,329	4,325	--	--	--	--	8,961	113,286
\$1,000,000 or more.....	2,121	1,223	--	--	--	--	5,873	270,015
Taxable returns.....	5,061,151	2,145,742	104,456	19,615	3,050,241	1,314,404	113,164	656,942
Nontaxable returns.....	912,994	385,640	63,557	12,221	5,144,582	2,248,490	4,249	12,603

Footnotes at end of table.

Individual Income Tax Returns, 1996

**Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income
--Continued**

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

Size of adjusted gross income	Tax credits--continued							
	Foreign tax credit		General business credit		Empowerment zone employment credit		Nonconventional source fuel credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All returns.....	2,105,799	3,538,835	297,511	742,891	460	10,810	28,623	52,763
No adjusted gross income.....	*12	*1	*10	*2	--	--	*7	*1
\$1 under \$5,000.....	81,379	1,673	*1,231	*64	--	--	--	--
\$5,000 under \$10,000.....	47,870	2,120	*7,505	*1,501	--	--	*1,043	*47
\$10,000 under \$15,000.....	42,919	4,062	*4,005	*1,872	--	--	--	--
\$15,000 under \$20,000.....	83,728	11,339	5,959	3,397	--	--	*1,247	*23
\$20,000 under \$25,000.....	61,995	10,708	14,823	13,592	--	--	*1,112	*930
\$25,000 under \$30,000.....	92,552	8,016	4,335	6,188	--	--	*1,235	*1
\$30,000 under \$40,000.....	126,048	42,268	16,567	27,081	--	--	*5,391	*1,897
\$40,000 under \$50,000.....	165,212	45,278	19,210	22,464	--	--	*1,146	*4,486
\$50,000 under \$75,000.....	310,813	150,021	52,114	81,067	--	--	*1,184	*434
\$75,000 under \$100,000.....	253,461	166,702	51,575	120,005	*162	*424	*1,415	*332
\$100,000 under \$200,000.....	458,091	564,328	70,987	158,184	*7	*22	8,270	6,774
\$200,000 under \$500,000.....	256,633	804,011	30,491	95,094	*43	*21	3,666	5,790
\$500,000 under \$1,000,000.....	75,395	494,454	10,471	68,764	*102	*5,812	1,417	3,309
\$1,000,000 or more.....	49,689	1,233,855	8,228	143,615	147	4,532	1,490	28,740
Taxable returns.....	2,085,717	3,470,966	269,151	711,216	460	10,810	26,296	46,384
Nontaxable returns.....	20,082	67,869	28,359	31,675	--	--	2,327	6,379

Size of adjusted gross income	Tax credits--continued		Income tax after credits		Alternative minimum tax		Total income tax	
	Other tax credits		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount						
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
All returns.....	37,729	67,955	90,906,919	655,420,460	477,898	2,812,746	90,929,350	658,244,750
No adjusted gross income.....	--	--	1,237	198	3,266	120,386	4,496	120,584
\$1 under \$5,000.....	--	--	3,834,023	428,867	6,219	1,043	3,837,195	429,926
\$5,000 under \$10,000.....	*97	*9	6,203,266	2,068,103	5,156	2,680	6,206,441	2,070,799
\$10,000 under \$15,000.....	*2,484	*761	8,012,334	6,197,906	1,338	2,333	8,012,441	6,200,239
\$15,000 under \$20,000.....	--	--	8,264,773	10,657,012	*1,142	*1,429	8,264,862	10,658,543
\$20,000 under \$25,000.....	*1,235	*945	8,509,878	15,061,512	*1,306	*2,309	8,509,932	15,063,847
\$25,000 under \$30,000.....	*277	*257	7,906,874	18,807,896	1,853	2,996	7,906,995	18,810,892
\$30,000 under \$40,000.....	*1,311	*1,430	12,463,856	42,374,895	4,267	5,271	12,464,055	42,380,166
\$40,000 under \$50,000.....	*2,156	*480	9,493,699	46,256,578	10,309	12,565	9,496,620	46,269,147
\$50,000 under \$75,000.....	12,952	11,819	14,293,147	104,849,532	47,512	59,182	14,296,676	104,909,151
\$75,000 under \$100,000.....	*3,288	*3,089	5,796,468	73,234,654	58,951	86,219	5,797,393	73,320,894
\$100,000 under \$200,000.....	6,193	5,476	4,607,040	109,371,347	161,683	465,223	4,609,880	109,837,768
\$200,000 under \$500,000.....	4,611	6,858	1,196,188	86,792,974	136,415	893,742	1,197,891	87,686,891
\$500,000 under \$1,000,000.....	1,657	9,630	213,426	43,058,832	25,691	467,983	213,660	43,529,845
\$1,000,000 or more.....	1,469	27,201	110,710	96,260,153	12,789	689,384	110,811	96,956,057
Taxable returns.....	37,028	66,866	90,906,919	655,420,460	477,898	2,812,746	90,929,350	658,244,750
Nontaxable returns.....	701	1,089	--	--	--	--	--	--

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income
--Continued

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

Size of adjusted gross income	All other taxes							
	Total		Penalty tax on qualified retirement plans		Self-employment tax		Social Security taxes on tip income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns.....	16,889,629	31,128,398	3,434,814	2,189,148	13,217,169	28,094,894	286,946	32,100
No adjusted gross income.....	160,058	252,999	16,943	18,929	141,316	216,090	*7	*(1)
\$1 under \$5,000.....	1,038,570	429,349	46,325	8,685	957,152	417,498	41,013	2,262
\$5,000 under \$10,000.....	1,723,295	1,355,979	97,410	21,678	1,556,329	1,329,302	65,622	3,775
\$10,000 under \$15,000.....	1,451,491	1,543,250	179,770	48,026	1,198,149	1,471,093	50,974	10,131
\$15,000 under \$20,000.....	1,288,410	1,657,791	212,746	50,585	1,044,085	1,578,937	27,976	8,188
\$20,000 under \$25,000.....	1,099,280	1,517,862	241,702	72,021	836,538	1,441,209	17,668	2,218
\$25,000 under \$30,000.....	1,041,338	1,554,161	249,506	112,985	797,409	1,408,080	*10,981	*1,074
\$30,000 under \$40,000.....	1,787,984	2,645,768	461,024	221,834	1,352,870	2,413,167	*16,834	*256
\$40,000 under \$50,000.....	1,530,552	2,580,573	444,359	198,092	1,107,706	2,376,805	*20,074	*477
\$50,000 under \$75,000.....	2,526,163	4,986,177	820,770	515,922	1,743,310	4,419,380	29,600	2,711
\$75,000 under \$100,000.....	1,233,015	3,260,850	373,662	407,539	850,987	2,777,373	*2,562	*690
\$100,000 under \$200,000.....	1,379,755	5,149,566	248,086	390,283	1,088,064	4,572,373	*3,265	*264
\$200,000 under \$500,000.....	478,098	2,709,617	37,603	99,344	415,155	2,493,509	*369	*53
\$500,000 under \$1,000,000.....	95,956	735,398	3,378	12,098	82,236	639,822	--	--
\$1,000,000 or more.....	55,664	749,057	1,530	11,127	45,863	540,254	--	--
Taxable returns.....	12,733,872	27,052,098	3,072,852	2,086,428	9,526,535	24,221,020	163,355	22,781
Nontaxable returns.....	4,155,757	4,076,300	361,961	102,720	3,690,634	3,873,874	123,590	9,319

Size of adjusted gross income	All other taxes--continued		Earned income credit used to offset all other taxes		Total tax liability		Tax payments	
	Household employment tax						Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
All returns.....	304,957	665,124	3,027,626	2,105,126	93,200,375	687,331,944	110,077,352	708,784,969
No adjusted gross income.....	6,068	15,033	55,171	26,324	138,188	347,259	351,639	1,250,441
\$1 under \$5,000.....	*3,122	*756	563,354	165,892	4,549,383	697,333	11,015,729	2,292,288
\$5,000 under \$10,000.....	1,742	1,114	1,061,532	683,112	6,813,292	2,750,085	10,954,315	6,146,993
\$10,000 under \$15,000.....	12,193	13,840	600,096	630,848	8,285,840	7,149,032	11,682,830	11,845,107
\$15,000 under \$20,000.....	5,530	16,845	477,598	442,930	8,522,678	11,886,684	10,851,748	17,210,487
\$20,000 under \$25,000.....	4,477	1,541	248,250	150,758	8,698,948	16,434,833	9,436,066	21,582,118
\$25,000 under \$30,000.....	6,591	31,645	21,625	5,261	7,951,539	20,359,792	7,906,807	24,179,424
\$30,000 under \$40,000.....	6,790	5,833	--	--	12,494,874	45,025,935	12,375,984	51,986,057
\$40,000 under \$50,000.....	5,976	4,639	--	--	9,508,283	48,849,720	9,439,021	54,483,942
\$50,000 under \$75,000.....	34,348	47,548	--	--	14,305,956	109,895,329	14,206,588	117,635,210
\$75,000 under \$100,000.....	29,548	72,191	--	--	5,798,042	76,581,744	5,759,600	76,528,001
\$100,000 under \$200,000.....	88,446	184,504	--	--	4,610,567	114,987,334	4,583,415	111,661,870
\$200,000 under \$500,000.....	62,117	115,268	--	--	1,198,196	90,396,508	1,190,662	83,899,391
\$500,000 under \$1,000,000.....	21,275	62,348	--	--	213,729	44,265,243	212,489	40,193,408
\$1,000,000 or more.....	16,736	92,018	--	--	110,860	97,705,114	110,460	87,890,233
Taxable returns.....	280,700	577,313	--	--	90,929,350	685,296,848	87,061,000	693,713,984
Nontaxable returns.....	24,257	87,811	3,027,626	2,105,126	2,271,026	2,035,096	23,016,352	15,070,985

Footnotes at end of table.

Individual Income Tax Returns, 1996

**Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income
--Continued**

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

Size of adjusted gross income	Tax payments--continued							
	Income tax withheld		Estimated tax payments		Payments with request for extension of filing time		Excess Social Security taxes withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
All returns.....	104,213,605	533,284,434	12,333,764	141,571,020	1,422,648	32,447,235	1,178,757	1,313,451
No adjusted gross income.....	251,063	665,639	84,832	462,489	15,836	106,944	1,735	3,579
\$1 under \$5,000.....	10,684,704	1,960,463	299,627	258,288	107,492	68,450	*1,232	*1,187
\$5,000 under \$10,000.....	10,489,110	5,534,629	520,374	558,109	53,108	44,533	*110	*79
\$10,000 under \$15,000.....	10,909,728	10,627,096	938,511	1,163,129	38,078	47,264	*308	*105
\$15,000 under \$20,000.....	10,158,445	15,607,358	1,064,200	1,509,691	63,086	85,133	*101	*69
\$20,000 under \$25,000.....	8,926,966	19,735,437	868,012	1,728,947	60,528	106,570	*5,170	*429
\$25,000 under \$30,000.....	7,498,797	22,037,250	804,928	2,021,633	56,427	112,018	*70	*22
\$30,000 under \$40,000.....	11,796,807	47,450,704	1,351,985	4,280,535	99,941	238,989	2,355	1,096
\$40,000 under \$50,000.....	8,997,382	49,506,322	1,146,007	4,719,756	82,396	244,743	668	327
\$50,000 under \$75,000.....	13,554,918	105,415,112	2,002,059	11,405,123	191,563	726,219	199,216	67,639
\$75,000 under \$100,000.....	5,450,146	65,315,985	1,087,283	10,132,430	150,750	847,170	289,483	218,138
\$100,000 under \$200,000.....	4,200,837	84,907,392	1,379,959	23,505,411	265,525	2,643,328	494,325	595,676
\$200,000 under \$500,000.....	1,022,583	52,135,729	579,049	27,261,483	158,087	4,187,437	143,008	305,059
\$500,000 under \$1,000,000.....	178,817	21,923,920	128,012	14,966,631	42,680	3,231,137	25,753	64,136
\$1,000,000 or more.....	93,300	30,461,399	78,926	37,597,365	37,150	19,757,300	15,223	55,910
Taxable returns.....	82,027,018	520,267,578	11,408,117	139,734,473	1,322,464	32,269,716	1,174,877	1,307,595
Nontaxable returns.....	22,186,588	13,016,856	925,648	1,836,547	100,184	177,519	3,880	5,856

Size of adjusted gross income	Tax payments--continued						Overpayment	
	Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Earned income credit, refundable portion		Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
All returns.....	513,815	108,650	87,976	60,178	15,379,722	23,157,238	86,492,206	128,964,442
No adjusted gross income.....	37,367	11,437	1,124	353	53,964	52,380	341,913	1,104,396
\$1 under \$5,000.....	28,352	3,459	*2,793	*440	3,347,169	2,260,834	11,267,346	4,298,526
\$5,000 under \$10,000.....	45,354	6,650	*11,594	*2,992	4,430,253	7,852,561	10,851,212	12,054,343
\$10,000 under \$15,000.....	38,487	7,364	*6,160	*149	3,742,773	8,606,900	10,381,722	14,613,216
\$15,000 under \$20,000.....	39,679	6,172	*4,911	*2,064	2,840,560	3,743,570	8,920,498	10,939,087
\$20,000 under \$25,000.....	45,721	9,719	*4,494	*1,016	906,564	622,836	7,465,380	7,552,125
\$25,000 under \$30,000.....	40,507	8,349	*1,235	*152	58,439	18,157	6,003,458	5,874,771
\$30,000 under \$40,000.....	42,417	12,057	*3,313	*2,677	--	--	8,924,764	10,867,776
\$40,000 under \$50,000.....	54,848	12,039	*2,332	*755	--	--	6,613,645	9,913,443
\$50,000 under \$75,000.....	87,469	14,794	17,682	6,322	--	--	9,472,361	17,532,023
\$75,000 under \$100,000.....	31,393	7,373	9,600	6,905	--	--	3,146,663	7,933,790
\$100,000 under \$200,000.....	16,384	4,744	15,617	5,319	--	--	2,435,855	10,279,049
\$200,000 under \$500,000.....	4,055	2,145	4,734	7,538	--	--	524,418	6,041,811
\$500,000 under \$1,000,000.....	968	796	1,350	6,788	--	--	90,697	2,711,263
\$1,000,000 or more.....	814	1,551	1,037	16,708	--	--	52,275	7,248,824
Taxable returns.....	364,048	75,651	80,655	58,970	--	--	61,759,463	91,647,428
Nontaxable returns.....	149,767	32,999	7,321	1,208	15,379,722	23,157,238	24,732,743	37,317,014

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income --Continued

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

Size of adjusted gross income	Overpayment--continued				Tax due at time of filing		Predetermined estimated tax penalty	
	Refunded		Credit to 1997 estimated tax		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount				
	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)
All returns.....	83,668,927	111,680,967	3,862,330	17,283,475	30,601,619	85,337,201	5,530,812	955,207
No adjusted gross income.....	309,989	883,083	39,168	221,313	86,345	151,653	25,683	2,819
\$1 under \$5,000.....	11,152,346	4,197,930	152,498	100,596	2,257,743	445,111	99,424	2,374
\$5,000 under \$10,000.....	10,683,909	11,889,712	227,806	164,631	1,984,142	819,289	267,058	10,441
\$10,000 under \$15,000.....	10,192,776	14,440,366	270,123	172,849	2,446,548	1,330,707	353,769	20,257
\$15,000 under \$20,000.....	8,717,196	10,743,724	301,799	195,364	2,601,903	1,901,357	420,564	23,957
\$20,000 under \$25,000.....	7,254,447	7,280,056	289,742	272,069	2,211,500	1,821,364	380,908	28,557
\$25,000 under \$30,000.....	5,827,735	5,629,080	244,947	245,692	2,050,422	2,064,940	350,683	26,002
\$30,000 under \$40,000.....	8,672,661	10,358,226	375,339	509,550	3,586,255	3,970,290	619,707	58,746
\$40,000 under \$50,000.....	6,394,757	9,515,835	304,609	397,609	2,906,184	4,342,489	604,827	62,712
\$50,000 under \$75,000.....	9,086,413	16,530,251	536,984	1,001,772	4,827,777	9,919,540	981,030	126,660
\$75,000 under \$100,000.....	2,912,181	7,186,578	305,008	747,211	2,641,723	8,077,423	543,940	89,890
\$100,000 under \$200,000.....	2,070,864	7,865,007	477,331	2,414,042	2,155,898	13,787,301	562,382	182,788
\$200,000 under \$500,000.....	334,681	3,033,094	239,753	3,008,717	665,351	12,711,933	248,518	173,005
\$500,000 under \$1,000,000.....	42,187	902,387	56,914	1,808,876	121,857	6,845,836	48,964	62,738
\$1,000,000 or more.....	16,786	1,225,639	40,309	6,023,185	57,970	17,147,967	23,355	84,262
Taxable returns.....	59,205,907	74,998,087	3,460,288	16,649,341	29,032,746	84,178,745	5,203,262	932,588
Nontaxable returns.....	24,463,020	36,682,880	402,041	634,134	1,568,873	1,158,456	327,550	22,619

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

¹ Less than \$500.

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

Individual Income Tax Returns, 1996

Table 3.--Returns with Itemized Deductions, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Total itemized deductions after limitation	Itemized deductions in excess of limitation		Medical and dental expenses deduction		Medical and dental expenses	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			(1)	(2)	(3)	(4)	(5)	(6)
All returns.....	35,414,589	572,541,293	4,052,677	19,082,977	5,397,041	27,002,499	5,397,041	41,842,872
Under \$5,000.....	204,305	2,206,351	--	--	127,915	650,359	127,915	677,183
\$5,000 under \$10,000.....	495,708	4,686,054	--	--	315,870	1,966,585	315,870	2,156,739
\$10,000 under \$15,000.....	889,415	8,827,240	--	--	507,703	2,754,336	507,703	3,233,651
\$15,000 under \$20,000.....	1,245,013	13,016,773	--	--	640,516	3,499,693	640,516	4,335,330
\$20,000 under \$25,000.....	1,545,702	15,211,056	--	--	546,946	2,275,367	546,946	3,200,706
\$25,000 under \$30,000.....	1,842,743	19,048,138	--	--	500,530	1,781,322	500,530	2,813,021
\$30,000 under \$35,000.....	2,025,269	20,405,974	--	--	430,098	1,714,842	430,098	2,762,611
\$35,000 under \$40,000.....	2,249,716	24,603,924	--	--	425,362	1,718,831	425,362	2,916,975
\$40,000 under \$45,000.....	2,227,043	25,617,691	--	--	391,815	1,498,508	391,815	2,746,875
\$45,000 under \$50,000.....	2,339,075	27,441,737	--	--	308,304	1,019,018	308,304	2,116,784
\$50,000 under \$55,000.....	2,174,658	26,808,609	--	--	244,458	889,260	244,458	1,847,765
\$55,000 under \$60,000.....	2,212,145	28,710,991	*6,449	*98	197,712	1,209,593	197,712	2,059,271
\$60,000 under \$75,000.....	5,406,103	75,763,939	55,114	13,926	361,574	2,345,000	361,574	4,142,403
\$75,000 under \$100,000.....	4,903,217	84,321,964	34,569	27,632	266,801	1,678,533	266,801	3,366,540
\$100,000 under \$200,000.....	4,235,193	99,815,487	2,537,674	2,277,065	117,605	1,494,927	117,605	2,615,047
\$200,000 under \$500,000.....	1,123,077	47,603,808	1,122,737	5,799,876	12,035	370,343	12,035	612,842
\$500,000 under \$1,000,000.....	194,077	15,914,229	194,039	3,220,709	1,649	116,960	1,649	198,155
\$1,000,000 or more.....	102,129	32,537,330	102,096	7,743,672	149	19,019	149	40,976
Taxable returns.....	33,329,940	537,679,516	4,050,556	19,064,681	4,218,008	16,250,307	4,218,008	29,732,810
Nontaxable returns.....	2,084,649	34,861,778	2,121	18,296	1,179,034	10,752,192	1,179,034	12,110,062

Size of adjusted gross income	Medical and dental expenses limitation		Taxes paid deduction					
	Number of returns	Amount	Total		State and local income taxes		Real estate taxes	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
All returns.....	5,396,040	14,840,374	34,855,375	203,775,741	29,717,110	124,376,029	31,347,761	71,233,197
Under \$5,000.....	126,913	26,823	175,583	351,944	71,753	47,122	154,617	281,240
\$5,000 under \$10,000.....	315,870	190,154	432,097	704,871	231,427	85,957	343,561	560,351
\$10,000 under \$15,000.....	507,703	479,315	820,125	1,663,056	516,933	246,666	683,948	1,301,117
\$15,000 under \$20,000.....	640,516	835,636	1,138,495	2,395,903	828,044	580,489	960,864	1,634,636
\$20,000 under \$25,000.....	546,946	925,340	1,496,550	3,206,052	1,177,618	1,061,997	1,284,435	1,942,161
\$25,000 under \$30,000.....	500,530	1,031,699	1,806,569	4,220,798	1,496,744	1,631,365	1,508,138	2,303,360
\$30,000 under \$35,000.....	430,098	1,047,769	1,981,460	5,172,040	1,679,711	2,237,434	1,727,277	2,655,973
\$35,000 under \$40,000.....	425,362	1,198,144	2,221,480	6,433,710	1,966,178	3,066,050	1,954,308	2,985,569
\$40,000 under \$45,000.....	391,815	1,248,366	2,206,535	6,956,746	1,891,602	3,475,829	1,943,798	3,104,492
\$45,000 under \$50,000.....	308,304	1,097,765	2,321,539	8,048,164	1,999,384	4,098,319	2,049,311	3,507,389
\$50,000 under \$55,000.....	244,458	958,505	2,162,515	8,239,293	1,917,737	4,357,849	1,963,130	3,456,835
\$55,000 under \$60,000.....	197,712	849,677	2,203,502	9,150,570	1,924,355	5,039,089	1,993,063	3,636,501
\$60,000 under \$75,000.....	361,574	1,797,403	5,387,834	25,550,974	4,731,734	14,191,619	4,969,882	10,083,713
\$75,000 under \$100,000.....	266,801	1,688,007	4,872,870	30,131,499	4,323,770	17,596,433	4,529,648	11,238,562
\$100,000 under \$200,000.....	117,605	1,120,120	4,213,817	40,201,746	3,694,240	25,338,899	3,942,258	13,454,059
\$200,000 under \$500,000.....	12,035	242,499	1,119,307	23,847,977	997,098	17,317,386	1,057,704	5,977,730
\$500,000 under \$1,000,000.....	1,649	81,195	193,411	9,445,097	175,274	7,658,676	184,666	1,631,049
\$1,000,000 or more.....	149	21,956	101,684	18,055,300	93,509	16,344,849	97,155	1,478,460
Taxable returns.....	4,218,008	13,482,503	32,998,564	198,942,490	28,566,201	123,437,445	29,702,829	67,681,650
Nontaxable returns.....	1,178,032	1,357,870	1,856,810	4,833,250	1,150,909	938,584	1,644,933	3,551,547

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 3.--Returns with Itemized Deductions, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Taxes paid deduction--continued				Interest paid deduction			
	Personal property taxes		Other taxes		Total		Home mortgage interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns.....	16,653,712	6,671,883	3,644,477	1,494,631	29,803,126	233,150,728	29,436,218	220,203,297
Under \$5,000.....	55,529	15,254	13,311	8,329	139,623	840,089	137,875	817,570
\$5,000 under \$10,000.....	140,670	34,396	26,839	24,167	292,099	1,370,302	282,971	1,333,746
\$10,000 under \$15,000.....	302,252	99,468	62,466	15,805	565,298	2,972,334	551,953	2,909,984
\$15,000 under \$20,000.....	499,904	117,067	96,930	63,711	868,044	4,783,398	854,778	4,667,518
\$20,000 under \$25,000.....	613,214	152,645	108,976	49,249	1,190,719	6,623,500	1,179,708	6,471,002
\$25,000 under \$30,000.....	835,908	243,774	181,579	42,298	1,494,044	8,155,183	1,478,664	7,981,297
\$30,000 under \$35,000.....	935,562	240,908	180,604	37,725	1,651,290	9,159,087	1,649,308	9,003,932
\$35,000 under \$40,000.....	1,077,392	328,508	223,149	53,582	1,908,832	11,136,075	1,894,903	10,956,686
\$40,000 under \$45,000.....	1,052,353	337,064	174,760	39,362	1,884,822	11,381,314	1,868,567	11,265,383
\$45,000 under \$50,000.....	1,122,598	382,694	230,601	59,762	2,037,635	12,565,586	2,022,009	12,444,632
\$50,000 under \$55,000.....	1,119,162	377,245	200,524	47,364	1,896,015	12,119,384	1,891,814	11,979,697
\$55,000 under \$60,000.....	1,104,748	431,606	197,017	43,374	1,971,702	12,882,010	1,959,519	12,745,555
\$60,000 under \$75,000.....	2,685,873	1,070,919	563,542	204,722	4,794,633	33,276,069	4,766,683	32,618,909
\$75,000 under \$100,000.....	2,409,385	1,096,203	585,216	200,299	4,314,530	35,792,939	4,259,698	34,889,334
\$100,000 under \$200,000.....	2,059,283	1,108,517	579,259	300,272	3,612,881	40,632,045	3,540,044	39,155,499
\$200,000 under \$500,000.....	511,526	383,470	172,528	169,391	939,830	17,648,871	890,111	15,405,928
\$500,000 under \$1,000,000.....	84,497	106,774	30,481	48,598	158,567	4,795,062	141,488	3,406,908
\$1,000,000 or more.....	43,855	145,372	16,695	86,620	82,562	7,017,479	66,124	2,149,716
Taxable returns.....	15,951,328	6,440,013	3,495,811	1,383,383	28,253,652	220,178,145	27,907,056	208,272,447
Nontaxable returns.....	702,384	231,871	148,666	111,248	1,549,474	12,972,583	1,529,162	11,930,850

Size of adjusted gross income	Interest paid deduction--continued							
	Home mortgage interest--continued				Deductible points		Investment interest deduction	
	Paid to financial institutions		Paid to individuals		Deductible points		Investment interest deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	
All returns.....	28,835,719	213,802,207	1,981,144	6,401,089	2,497,152	1,570,688	1,609,979	11,376,744
Under \$5,000.....	130,958	781,583	9,189	35,988	12,947	6,278	3,904	16,240
\$5,000 under \$10,000.....	276,746	1,294,944	9,106	38,801	17,386	5,996	15,209	30,560
\$10,000 under \$15,000.....	545,164	2,865,664	16,966	44,320	36,037	23,089	23,195	39,261
\$15,000 under \$20,000.....	830,835	4,464,914	54,257	202,604	46,194	20,558	32,241	95,321
\$20,000 under \$25,000.....	1,153,104	6,276,203	62,367	194,798	67,931	31,082	41,446	121,417
\$25,000 under \$30,000.....	1,443,663	7,723,038	88,269	258,259	86,262	72,586	33,697	101,300
\$30,000 under \$35,000.....	1,617,902	8,760,644	97,673	243,287	101,945	118,646	32,951	36,510
\$35,000 under \$40,000.....	1,851,386	10,611,526	131,148	345,160	141,195	106,774	40,123	72,616
\$40,000 under \$45,000.....	1,834,590	10,991,022	103,569	274,361	101,013	27,545	64,057	88,386
\$45,000 under \$50,000.....	1,956,024	12,008,667	143,018	435,966	160,906	63,681	34,834	57,272
\$50,000 under \$55,000.....	1,853,491	11,579,465	116,466	400,231	154,485	79,963	41,478	59,724
\$55,000 under \$60,000.....	1,911,218	12,428,981	141,648	316,574	178,738	75,249	52,940	61,206
\$60,000 under \$75,000.....	4,681,283	31,766,970	305,118	851,939	358,769	255,783	174,533	401,377
\$75,000 under \$100,000.....	4,198,505	34,046,332	323,090	843,002	436,940	237,778	248,604	665,826
\$100,000 under \$200,000.....	3,476,725	37,989,604	280,561	1,165,895	417,886	271,528	383,019	1,205,018
\$200,000 under \$500,000.....	871,708	14,908,405	79,612	497,524	145,415	136,960	263,863	2,105,983
\$500,000 under \$1,000,000.....	138,156	3,249,837	13,868	157,070	23,114	23,867	73,059	1,364,287
\$1,000,000 or more.....	64,259	2,054,406	5,219	95,310	9,990	13,324	50,828	4,854,440
Taxable returns.....	27,342,586	202,288,270	1,901,850	5,984,177	2,376,370	1,501,176	1,523,239	10,404,522
Nontaxable returns.....	1,493,133	11,513,937	79,295	416,912	120,783	69,512	86,740	972,222

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 3.--Returns with Itemized Deductions, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Charitable contributions deduction							
	Total		Cash contributions		Other than cash contributions		Carryover from prior years	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns.....	31,591,983	86,159,305	30,641,690	65,658,168	16,037,388	21,298,819	275,700	6,954,389
Under \$5,000.....	116,558	88,328	108,498	117,631	38,115	19,669	10,934	25,548
\$5,000 under \$10,000.....	341,297	409,263	325,399	450,812	95,813	58,287	20,575	80,449
\$10,000 under \$15,000.....	666,146	879,422	639,014	806,401	223,399	110,771	12,244	154,991
\$15,000 under \$20,000.....	959,197	1,347,549	916,779	1,153,996	377,300	210,470	34,065	103,713
\$20,000 under \$25,000.....	1,232,625	1,743,859	1,175,095	1,470,863	551,338	517,337	20,563	59,327
\$25,000 under \$30,000.....	1,574,770	2,191,019	1,522,308	1,893,706	742,583	359,034	19,117	27,519
\$30,000 under \$35,000.....	1,751,039	2,608,340	1,690,583	2,331,672	766,305	492,258	15,282	295,526
\$35,000 under \$40,000.....	1,916,873	2,693,467	1,843,165	2,285,032	961,118	368,622	17,059	46,825
\$40,000 under \$45,000.....	1,921,614	3,172,124	1,847,382	2,690,572	941,249	476,481	11,871	68,649
\$45,000 under \$50,000.....	2,097,231	3,441,715	2,032,380	2,904,501	1,090,364	529,128	15,211	56,223
\$50,000 under \$55,000.....	1,932,019	3,338,312	1,888,041	2,872,396	937,026	460,420	9,736	23,732
\$55,000 under \$60,000.....	2,010,975	3,461,609	1,940,949	2,904,624	1,002,914	1,700,095	7,838	8,435
\$60,000 under \$75,000.....	5,009,548	9,586,613	4,849,611	8,262,445	2,665,261	1,341,095	21,836	373,712
\$75,000 under \$100,000.....	4,654,420	11,255,889	4,526,621	9,538,946	2,634,505	1,702,619	10,560	122,621
\$100,000 under \$200,000.....	4,036,635	13,806,769	3,980,058	11,139,001	2,300,448	2,409,981	29,498	937,821
\$200,000 under \$500,000.....	1,082,521	8,693,234	1,068,803	6,423,424	574,861	1,793,008	12,528	1,455,621
\$500,000 under \$1,000,000.....	188,788	3,793,552	187,801	2,604,010	89,375	1,269,807	3,509	684,098
\$1,000,000 or more.....	99,728	13,648,238	99,203	5,808,136	45,414	7,479,736	3,274	2,429,579
Taxable returns.....	30,122,373	83,840,214	29,251,111	63,486,290	15,484,224	20,873,306	206,503	6,474,475
Nontaxable returns.....	1,469,610	2,319,091	1,390,580	2,171,877	553,165	425,513	69,197	479,914

Size of adjusted gross income	Miscellaneous deductions subject to 2% AGI limitation							
	Casualty or theft loss deduction		Total after AGI limitation		Unreimbursed employee business expense		Tax preparation fees	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns.....	163,674	2,879,197	8,436,403	34,042,566	11,183,731	36,582,373	12,418,581	2,857,264
Under \$5,000.....	*3,738	*232,292	67,957	40,684	5,725	9,305	54,538	8,457
\$5,000 under \$10,000.....	*5,382	*21,803	117,118	191,641	62,423	141,168	163,493	25,195
\$10,000 under \$15,000.....	*9,912	*36,201	178,681	452,391	157,668	402,990	262,504	41,135
\$15,000 under \$20,000.....	*10,265	*61,711	279,712	830,815	252,411	742,901	394,386	60,633
\$20,000 under \$25,000.....	15,041	210,846	344,670	1,014,049	358,402	975,456	507,256	86,561
\$25,000 under \$30,000.....	*7,619	*842,952	507,527	1,788,209	544,668	1,728,989	633,107	87,685
\$30,000 under \$35,000.....	21,569	144,759	527,770	1,520,884	655,967	1,633,886	711,268	93,452
\$35,000 under \$40,000.....	21,290	314,995	585,562	2,158,441	791,992	2,263,698	813,652	113,697
\$40,000 under \$45,000.....	*13,621	*423,878	571,283	1,947,966	787,349	2,183,653	843,485	131,136
\$45,000 under \$50,000.....	*6,243	*8,994	618,484	2,232,579	817,963	2,442,508	796,211	126,941
\$50,000 under \$55,000.....	*10,424	*136,944	555,607	1,976,767	765,675	2,283,821	723,468	110,807
\$55,000 under \$60,000.....	*7,766	*35,047	545,055	1,869,000	789,326	2,188,318	760,080	125,182
\$60,000 under \$75,000.....	15,145	46,639	1,246,268	4,459,838	1,938,018	5,502,950	1,950,293	336,676
\$75,000 under \$100,000.....	*10,193	*72,789	1,192,698	4,847,047	1,786,720	6,142,895	1,837,933	404,092
\$100,000 under \$200,000.....	3,745	185,130	880,495	4,982,528	1,205,945	5,683,187	1,465,040	537,996
\$200,000 under \$500,000.....	1,560	76,369	182,607	2,020,230	230,044	1,756,686	399,933	332,790
\$500,000 under \$1,000,000.....	124	17,075	23,481	611,574	24,205	301,078	68,260	111,317
\$1,000,000 or more.....	*38	*10,772	11,426	1,097,924	9,231	198,882	33,674	123,512
Taxable returns.....	128,820	851,373	7,939,838	32,378,175	10,833,396	35,213,548	11,776,598	2,727,984
Nontaxable returns.....	34,853	2,027,824	496,565	1,664,391	350,335	1,368,825	641,983	129,280

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 3.--Returns with Itemized Deductions, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Unlimited miscellaneous deductions					
	Total		Gambling loss deduction		Miscellaneous deductions other than gambling	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)
All returns.....	827,493	4,614,234	593,386	3,818,028	243,142	796,205
Under \$5,000.....	*1,391	*2,653	*1,239	*1,824	*152	*830
\$5,000 under \$10,000.....	*6,533	*21,588	*5,280	*19,144	*2,484	*2,445
\$10,000 under \$15,000.....	17,497	69,500	15,794	66,660	*1,702	*2,839
\$15,000 under \$20,000.....	34,689	97,704	21,286	75,199	14,547	22,505
\$20,000 under \$25,000.....	37,410	137,382	31,483	136,045	*5,927	*1,337
\$25,000 under \$30,000.....	33,181	68,655	19,422	60,692	*14,104	*7,962
\$30,000 under \$35,000.....	47,427	86,021	28,581	66,125	21,965	19,896
\$35,000 under \$40,000.....	35,579	148,404	23,572	134,768	12,007	13,636
\$40,000 under \$45,000.....	59,996	237,154	46,462	229,276	13,534	7,878
\$45,000 under \$50,000.....	56,700	125,680	41,308	92,026	15,399	33,654
\$50,000 under \$55,000.....	40,160	108,649	33,202	79,672	*6,958	*28,977
\$55,000 under \$60,000.....	41,816	103,259	27,194	63,736	*14,623	*39,523
\$60,000 under \$75,000.....	129,768	512,732	93,719	445,223	36,202	67,509
\$75,000 under \$100,000.....	135,361	570,900	107,237	529,220	28,132	41,680
\$100,000 under \$200,000.....	100,534	789,405	70,251	641,693	31,399	147,712
\$200,000 under \$500,000.....	37,271	746,660	21,509	496,017	17,537	250,643
\$500,000 under \$1,000,000.....	7,546	355,617	3,871	296,704	3,748	58,914
\$1,000,000 or more.....	4,633	432,269	1,975	384,004	2,720	48,265
Taxable returns.....	779,303	4,303,492	563,532	3,559,133	223,067	744,358
Nontaxable returns.....	48,191	310,742	29,854	258,895	20,075	51,847

* 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.

Individual Income Tax Returns, 1996

Table 4.--Returns with Earned Income Credit, by Size of Adjusted Gross Income

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

Size of adjusted gross income	All returns with earned income credit (EIC)									
	Number of returns	Adjusted gross income (less deficit)	EIC salaries and wages		Nontaxable earned income		EIC self-employment income (less loss)		EIC earned income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns.....	19,463,836	228,676,555	17,935,029	205,535,367	1,758,164	2,133,926	3,398,007	18,838,418	19,463,836	226,507,710
No adjusted gross income.....	84,332	-2,824,085	44,584	348,238	*1,698	*570	60,495	191,224	84,332	540,033
\$1 under \$1,000.....	405,971	242,292	338,677	266,889	*9,930	*13,769	77,163	61,093	405,971	341,751
\$1,000 under \$2,000.....	697,277	1,051,922	638,550	1,008,813	*5,864	*4,551	81,482	89,291	697,277	1,102,655
\$2,000 under \$3,000.....	765,172	1,930,140	692,065	1,708,783	*9,930	*40,748	105,736	173,329	765,172	1,922,860
\$3,000 under \$4,000.....	816,488	2,859,426	744,358	2,466,660	*7,770	*1,077	127,034	338,125	816,488	2,805,862
\$4,000 under \$5,000.....	942,875	4,243,473	822,784	3,490,810	*19,599	*34,725	213,419	685,556	942,875	4,211,091
\$5,000 under \$6,000.....	964,653	5,294,518	851,490	4,185,772	*16,470	*15,440	208,195	824,777	964,653	5,025,989
\$6,000 under \$7,000.....	1,185,545	7,705,883	1,007,674	5,965,218	*9,346	*3,367	298,007	1,384,927	1,185,545	7,353,512
\$7,000 under \$8,000.....	1,148,244	8,594,450	1,030,272	7,088,594	*9,789	*8,150	220,637	1,003,941	1,148,244	8,100,684
\$8,000 under \$9,000.....	1,084,458	9,231,218	936,035	7,191,426	42,680	36,563	261,419	1,537,624	1,084,458	8,765,613
\$9,000 under \$10,000.....	979,891	9,258,844	905,540	7,873,537	34,165	12,451	190,150	1,022,758	979,891	8,908,746
\$10,000 under \$11,000.....	728,906	7,652,840	668,562	6,618,959	31,058	31,429	125,030	860,205	728,906	7,510,593
\$11,000 under \$12,000.....	761,983	8,777,095	701,771	7,637,851	67,739	84,538	122,897	917,798	761,983	8,640,187
\$12,000 under \$13,000.....	734,225	9,154,970	682,784	8,125,472	90,367	202,873	103,365	746,870	734,225	9,075,214
\$13,000 under \$14,000.....	754,976	10,191,892	716,844	9,103,771	104,802	125,062	100,390	605,840	754,976	9,834,674
\$14,000 under \$15,000.....	823,504	11,947,106	792,555	10,983,762	93,293	102,074	81,844	561,781	823,504	11,647,617
\$15,000 under \$16,000.....	754,436	11,683,687	714,666	10,462,969	104,257	190,739	98,634	861,486	754,436	11,515,194
\$16,000 under \$17,000.....	688,121	11,356,181	666,735	10,407,452	147,788	183,312	93,351	667,993	688,121	11,258,757
\$17,000 under \$18,000.....	706,942	12,387,976	678,568	11,478,789	122,742	191,808	94,806	627,801	706,942	12,298,398
\$18,000 under \$19,000.....	603,602	11,161,249	578,853	10,054,810	106,838	125,138	113,856	772,322	603,602	10,952,270
\$19,000 under \$20,000.....	610,389	11,886,218	582,982	10,746,550	115,962	176,426	95,128	807,435	610,389	11,730,411
\$20,000 under \$25,000.....	2,525,581	56,416,978	2,458,494	51,422,128	476,536	429,730	394,626	3,001,142	2,525,581	54,853,000
\$25,000 and over.....	696,264	18,472,282	680,186	16,898,117	129,543	119,385	130,343	1,095,099	696,264	18,112,601

Size of adjusted gross income	All returns with earned income credit (EIC)--continued									
	Total earned income credit		EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns.....	19,463,836	28,825,258	8,194,823	3,562,894	3,050,241	2,123,565	3,027,626	2,105,126	15,379,722	23,157,238
No adjusted gross income.....	84,332	78,704	--	--	--	--	55,171	26,324	53,964	52,380
\$1 under \$1,000.....	405,971	70,837	--	--	--	--	58,555	6,514	372,395	64,322
\$1,000 under \$2,000.....	697,277	269,224	--	--	--	--	81,345	15,299	657,771	253,926
\$2,000 under \$3,000.....	765,172	484,395	--	--	--	--	92,419	26,050	720,526	458,345
\$3,000 under \$4,000.....	816,488	677,699	--	--	--	--	125,941	36,580	755,319	641,119
\$4,000 under \$5,000.....	942,875	924,572	--	--	--	--	205,094	81,449	841,159	843,123
\$5,000 under \$6,000.....	964,653	1,127,089	*1,231	*89	--	--	209,346	93,072	858,344	1,033,928
\$6,000 under \$7,000.....	1,185,545	1,676,910	191,601	6,961	*1,064	*19	290,338	149,975	1,086,764	1,519,974
\$7,000 under \$8,000.....	1,148,244	1,762,018	354,458	39,684	166,981	10,590	183,985	88,935	1,171,236	1,633,399
\$8,000 under \$9,000.....	1,084,458	1,972,724	284,048	19,498	280,940	64,423	215,927	199,475	783,102	1,753,751
\$9,000 under \$10,000.....	979,891	2,069,344	217,250	6,181	180,076	68,055	161,935	151,655	784,807	1,911,508
\$10,000 under \$11,000.....	728,906	2,011,452	19,949	4,563	--	--	138,055	144,935	722,612	1,861,954
\$11,000 under \$12,000.....	761,983	2,080,173	285,759	36,342	--	--	143,553	156,914	756,569	1,886,917
\$12,000 under \$13,000.....	734,225	1,872,844	279,426	63,813	--	--	112,797	124,186	722,568	1,684,845
\$13,000 under \$14,000.....	754,976	1,803,502	374,786	114,928	*2,462	*650	117,714	113,717	734,938	1,574,857
\$14,000 under \$15,000.....	823,504	1,855,624	511,844	166,200	--	--	87,977	91,096	806,086	1,598,327
\$15,000 under \$16,000.....	754,436	1,545,076	514,049	231,229	*5,569	*1,916	99,112	271,476	722,762	1,202,372
\$16,000 under \$17,000.....	688,121	1,285,785	523,120	273,305	*5,505	*1,611	97,249	106,095	661,958	906,385
\$17,000 under \$18,000.....	706,942	1,175,846	605,264	347,374	*19,756	*5,552	101,728	80,279	642,288	748,194
\$18,000 under \$19,000.....	603,602	887,950	492,481	330,692	127,191	22,232	101,750	82,064	424,514	475,195
\$19,000 under \$20,000.....	610,389	826,729	536,470	352,288	176,512	61,991	77,759	63,017	389,038	411,424
\$20,000 under \$25,000.....	2,525,581	2,125,969	2,351,041	1,352,375	1,465,477	1,232,748	248,250	150,758	906,564	622,836
\$25,000 and over.....	696,264	240,791	652,046	217,373	618,707	653,776	21,625	5,261	58,439	18,157

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 4.--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Returns with no qualifying children									
	Number of returns	Adjusted gross income (less deficit)	EIC salaries and wages		Nontaxable earned income		EIC self-employment income (less loss)		EIC earned income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All returns.....	3,531,619	16,884,094	2,993,786	14,524,680	44,271	23,773	859,402	2,823,287	3,531,619	17,371,741
No adjusted gross income.....	45,646	-1,334,204	21,238	93,807	--	--	34,517	61,051	45,646	154,858
\$1 under \$1,000.....	195,029	111,768	139,329	99,713	--	--	61,807	43,223	195,029	142,937
\$1,000 under \$2,000.....	289,741	435,914	253,367	395,445	*2,507	*1,306	48,907	43,311	289,741	440,062
\$2,000 under \$3,000.....	300,386	758,055	260,755	639,284	--	--	59,679	99,170	300,386	738,455
\$3,000 under \$4,000.....	346,217	1,212,126	293,720	973,432	*4,663	*1,040	76,203	212,189	346,217	1,186,661
\$4,000 under \$5,000.....	460,294	2,059,996	388,083	1,598,732	*4,663	*3,660	125,679	409,892	460,294	2,012,284
\$5,000 under \$6,000.....	425,594	2,327,916	354,651	1,768,419	*158	*128	120,194	452,508	425,594	2,221,056
\$6,000 under \$7,000.....	468,627	3,059,072	394,346	2,329,189	*4,663	*947	133,956	566,981	468,627	2,897,117
\$7,000 under \$8,000.....	430,684	3,230,672	361,533	2,423,422	*8,676	*7,755	113,179	531,736	430,684	2,962,914
\$8,000 under \$9,000.....	356,982	3,051,180	324,192	2,422,483	*15,835	*7,263	62,275	296,756	356,982	2,726,502
\$9,000 under \$10,000.....	212,419	1,971,599	202,573	1,780,754	*3,107	*1,675	23,005	106,468	212,419	1,888,896
\$10,000 under \$11,000.....	--	--	--	--	--	--	--	--	--	--
\$11,000 under \$12,000.....	--	--	--	--	--	--	--	--	--	--
\$12,000 under \$13,000.....	--	--	--	--	--	--	--	--	--	--
\$13,000 under \$14,000.....	--	--	--	--	--	--	--	--	--	--
\$14,000 under \$15,000.....	--	--	--	--	--	--	--	--	--	--
\$15,000 under \$16,000.....	--	--	--	--	--	--	--	--	--	--
\$16,000 under \$17,000.....	--	--	--	--	--	--	--	--	--	--
\$17,000 under \$18,000.....	--	--	--	--	--	--	--	--	--	--
\$18,000 under \$19,000.....	--	--	--	--	--	--	--	--	--	--
\$19,000 under \$20,000.....	--	--	--	--	--	--	--	--	--	--
\$20,000 under \$25,000.....	--	--	--	--	--	--	--	--	--	--
\$25,000 and over.....	--	--	--	--	--	--	--	--	--	--

Size of adjusted gross income	Returns with no qualifying children--continued									
	Total earned income credit		EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns.....	3,531,619	651,734	999,328	68,172	629,062	143,088	672,092	134,214	2,308,676	449,349
No adjusted gross income.....	45,646	9,132	--	--	--	--	28,889	5,748	19,589	3,384
\$1 under \$1,000.....	195,029	10,232	--	--	--	--	31,723	2,654	164,559	7,578
\$1,000 under \$2,000.....	289,741	33,245	--	--	--	--	40,156	4,948	250,838	28,297
\$2,000 under \$3,000.....	300,386	55,818	--	--	--	--	49,636	9,501	255,740	46,316
\$3,000 under \$4,000.....	346,217	88,561	--	--	--	--	70,838	17,198	285,055	71,363
\$4,000 under \$5,000.....	460,294	140,195	--	--	--	--	115,459	31,239	358,578	108,956
\$5,000 under \$6,000.....	425,594	123,123	--	--	--	--	124,195	33,745	319,284	89,378
\$6,000 under \$7,000.....	468,627	100,857	190,370	6,873	*1,064	*19	116,492	21,249	370,004	72,735
\$7,000 under \$8,000.....	430,684	62,532	346,688	38,927	166,981	10,590	68,186	6,471	203,162	17,134
\$8,000 under \$9,000.....	356,982	24,573	280,940	19,445	280,940	64,423	18,269	1,286	57,772	3,842
\$9,000 under \$10,000.....	212,419	3,466	181,330	2,927	180,076	68,055	*8,249	*174	*24,094	*365
\$10,000 under \$11,000.....	--	--	--	--	--	--	--	--	--	--
\$11,000 under \$12,000.....	--	--	--	--	--	--	--	--	--	--
\$12,000 under \$13,000.....	--	--	--	--	--	--	--	--	--	--
\$13,000 under \$14,000.....	--	--	--	--	--	--	--	--	--	--
\$14,000 under \$15,000.....	--	--	--	--	--	--	--	--	--	--
\$15,000 under \$16,000.....	--	--	--	--	--	--	--	--	--	--
\$16,000 under \$17,000.....	--	--	--	--	--	--	--	--	--	--
\$17,000 under \$18,000.....	--	--	--	--	--	--	--	--	--	--
\$18,000 under \$19,000.....	--	--	--	--	--	--	--	--	--	--
\$19,000 under \$20,000.....	--	--	--	--	--	--	--	--	--	--
\$20,000 under \$25,000.....	--	--	--	--	--	--	--	--	--	--
\$25,000 and over.....	--	--	--	--	--	--	--	--	--	--

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 4.--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Returns with one qualifying child									
	Number of returns	Adjusted gross income (less deficit)	EIC salaries and wages		Nontaxable earned income		EIC self-employment income (less loss)		EIC earned income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns.....	7,943,278	98,270,139	7,469,859	89,702,483	807,765	917,051	1,069,973	6,036,924	7,943,278	96,656,458
No adjusted gross income.....	20,401	-570,463	12,746	142,789	**	**	12,947	52,639	20,401	195,808
\$1 under \$1,000.....	100,397	57,801	97,890	69,862	*3,715	*1,355	*6,267	*11,056	100,397	82,274
\$1,000 under \$2,000.....	219,975	332,268	205,107	315,333	*3,107	*3,027	19,934	33,590	219,975	351,950
\$2,000 under \$3,000.....	235,565	582,863	222,754	526,683	*3,107	*3,573	19,077	33,208	235,565	563,465
\$3,000 under \$4,000.....	253,601	893,647	243,086	821,852	--	--	24,298	60,167	253,601	882,018
\$4,000 under \$5,000.....	276,775	1,262,560	249,299	1,098,172	*3,107	*4,475	44,102	138,379	276,775	1,241,026
\$5,000 under \$6,000.....	302,343	1,666,012	272,419	1,364,091	*10,394	*15,061	54,173	217,027	302,343	1,596,178
\$6,000 under \$7,000.....	442,308	2,866,493	376,383	2,240,374	*3,107	*441	107,481	517,449	442,308	2,758,264
\$7,000 under \$8,000.....	436,174	3,259,684	396,022	2,789,374	**	**	67,401	322,778	436,174	3,112,158
\$8,000 under \$9,000.....	368,623	3,133,912	321,106	2,532,495	*13,660	*23,919	83,774	473,386	368,623	3,029,801
\$9,000 under \$10,000.....	409,099	3,887,666	383,015	3,407,424	*14,268	*5,004	61,578	293,381	409,099	3,705,810
\$10,000 under \$11,000.....	380,533	3,998,796	356,747	3,563,019	*8,699	*3,532	53,151	334,257	380,533	3,900,808
\$11,000 under \$12,000.....	403,860	4,648,235	371,068	4,025,240	29,197	21,056	64,074	462,275	403,860	4,508,571
\$12,000 under \$13,000.....	392,923	4,905,791	360,742	4,325,744	58,417	113,732	52,180	459,786	392,923	4,899,262
\$13,000 under \$14,000.....	396,372	5,346,520	379,709	4,891,383	58,505	72,986	42,051	248,436	396,372	5,212,806
\$14,000 under \$15,000.....	425,997	6,184,947	411,681	5,714,865	67,388	92,305	39,108	278,471	425,997	6,085,641
\$15,000 under \$16,000.....	390,416	6,044,982	372,278	5,514,456	61,377	83,377	41,198	338,540	390,416	5,936,372
\$16,000 under \$17,000.....	344,026	5,683,786	338,495	5,334,810	85,430	87,639	34,475	213,952	344,026	5,636,401
\$17,000 under \$18,000.....	353,083	6,179,523	342,050	5,763,445	61,546	78,823	34,963	280,903	353,083	6,123,171
\$18,000 under \$19,000.....	313,173	5,790,245	305,800	5,354,069	55,447	50,169	46,271	253,348	313,173	5,657,586
\$19,000 under \$20,000.....	283,608	5,518,002	276,590	5,085,462	60,840	76,849	37,338	248,949	283,608	5,411,261
\$20,000 under \$25,000.....	1,176,999	26,170,586	1,157,841	24,406,928	204,139	178,813	122,987	764,543	1,176,999	25,350,285
\$25,000 and over.....	*17,029	*426,283	*17,029	*414,612	*1,112	*527	*1,145	*403	*17,029	*415,542

Size of adjusted gross income	Returns with one qualifying child--continued									
	Total earned income credit		EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns.....	7,943,278	11,372,267	4,024,595	1,942,043	1,479,003	1,235,019	1,007,531	749,555	6,289,857	8,680,668
No adjusted gross income.....	20,401	27,856	--	--	--	--	12,171	9,179	18,703	18,677
\$1 under \$1,000.....	100,397	25,211	--	--	--	--	*8,423	*2,677	100,397	22,534
\$1,000 under \$2,000.....	219,975	116,429	--	--	--	--	24,981	5,608	219,813	110,821
\$2,000 under \$3,000.....	235,565	191,681	--	--	--	--	*14,064	*4,792	235,565	186,889
\$3,000 under \$4,000.....	253,601	299,455	--	--	--	--	26,413	9,681	253,601	289,774
\$4,000 under \$5,000.....	276,775	416,280	--	--	--	--	40,950	22,811	276,775	393,469
\$5,000 under \$6,000.....	302,343	529,819	*1,231	*89	--	--	50,688	34,628	302,343	495,102
\$6,000 under \$7,000.....	442,308	904,103	*1,231	*89	--	--	110,844	80,640	442,308	823,375
\$7,000 under \$8,000.....	436,174	909,953	*7,770	*757	--	--	72,185	56,080	433,919	853,116
\$8,000 under \$9,000.....	368,623	769,267	*3,107	*53	--	--	83,683	78,369	367,478	690,845
\$9,000 under \$10,000.....	409,099	857,687	30,129	2,674	--	--	60,394	53,965	407,954	801,049
\$10,000 under \$11,000.....	380,533	805,497	*18,696	*4,187	--	--	63,115	60,819	375,628	740,491
\$11,000 under \$12,000.....	403,860	851,648	276,437	32,989	--	--	75,235	78,117	399,834	740,542
\$12,000 under \$13,000.....	392,923	766,660	261,428	59,750	--	--	64,409	70,982	382,268	635,928
\$13,000 under \$14,000.....	396,372	708,641	296,765	108,866	*2,462	*650	53,280	42,725	376,492	557,050
\$14,000 under \$15,000.....	425,997	697,637	335,404	141,336	--	--	48,252	38,891	408,855	517,410
\$15,000 under \$16,000.....	390,416	576,970	349,884	183,683	*5,569	*1,916	46,517	29,794	361,485	363,493
\$16,000 under \$17,000.....	344,026	450,379	334,915	206,996	*5,505	*1,611	39,563	30,431	324,220	212,952
\$17,000 under \$18,000.....	353,083	410,826	345,575	258,843	*16,649	*5,282	37,989	20,714	314,041	131,268
\$18,000 under \$19,000.....	313,173	316,098	298,160	240,279	127,191	22,232	39,414	11,006	161,517	64,813
\$19,000 under \$20,000.....	283,608	242,537	282,009	215,877	173,404	61,407	18,338	4,047	94,973	22,613
\$20,000 under \$25,000.....	1,176,999	497,531	1,164,825	485,472	1,131,194	1,113,399	16,623	3,599	31,688	8,459
\$25,000 and over.....	*17,029	*104	*17,029	*104	*17,029	*28,523	--	--	--	--

Footnotes at end of table.

Individual Income Tax Returns, 1996

Table 4.--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Returns with two or more qualifying children									
	Number of returns	Adjusted gross income (less deficit)	EIC salaries and wages		Nontaxable earned income		EIC self-employment income (less loss)		EIC earned income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
All returns.....	7,988,939	113,522,322	7,471,384	101,308,204	906,128	1,193,102	1,468,633	9,978,206	7,988,939	112,479,512
No adjusted gross income.....	18,285	-919,418	10,600	111,642	*497	*190	13,031	77,534	18,285	189,367
\$1 under \$1,000.....	110,546	72,723	101,458	97,314	*6,215	*12,414	*9,089	*6,814	110,546	116,541
\$1,000 under \$2,000.....	187,562	283,740	180,076	298,034	*250	*219	12,641	12,390	187,562	310,642
\$2,000 under \$3,000.....	229,221	589,223	208,556	542,815	*6,822	*37,174	26,980	40,951	229,221	620,940
\$3,000 under \$4,000.....	216,670	753,653	207,552	671,376	*3,107	*37	26,533	65,769	216,670	737,182
\$4,000 under \$5,000.....	205,805	920,916	185,403	793,906	*11,829	*26,590	43,638	137,285	205,805	957,781
\$5,000 under \$6,000.....	236,717	1,300,591	224,420	1,053,262	*5,918	*251	33,828	155,242	236,717	1,208,756
\$6,000 under \$7,000.....	274,609	1,780,318	236,944	1,395,655	*1,576	*1,979	56,570	300,497	274,609	1,698,131
\$7,000 under \$8,000.....	281,386	2,104,093	272,716	1,875,798	*1,112	*389	40,057	149,426	281,386	2,025,613
\$8,000 under \$9,000.....	358,853	3,046,126	290,738	2,236,447	*13,186	*5,381	115,370	767,481	358,853	3,009,309
\$9,000 under \$10,000.....	358,373	3,399,579	319,951	2,685,359	*16,790	*5,772	105,567	622,909	358,373	3,314,040
\$10,000 under \$11,000.....	348,373	3,654,044	311,816	3,055,940	*22,359	*27,896	71,879	525,948	348,373	3,609,785
\$11,000 under \$12,000.....	358,123	4,128,860	330,703	3,612,610	38,542	63,483	58,823	455,523	358,123	4,131,616
\$12,000 under \$13,000.....	341,302	4,249,179	322,042	3,799,728	31,951	89,140	51,185	287,084	341,302	4,175,952
\$13,000 under \$14,000.....	358,604	4,845,372	337,135	4,212,388	46,297	52,076	58,338	357,404	358,604	4,621,868
\$14,000 under \$15,000.....	397,507	5,762,158	380,874	5,268,896	25,905	9,770	42,736	283,310	397,507	5,561,976
\$15,000 under \$16,000.....	364,020	5,638,705	342,388	4,948,514	42,880	107,361	57,436	522,947	364,020	5,578,822
\$16,000 under \$17,000.....	344,096	5,672,395	328,240	5,072,642	62,357	95,673	58,876	454,041	344,096	5,622,355
\$17,000 under \$18,000.....	353,859	6,208,453	336,518	5,715,344	61,195	112,985	59,843	346,898	353,859	6,175,227
\$18,000 under \$19,000.....	290,429	5,371,004	273,053	4,700,741	51,391	74,969	67,585	518,974	290,429	5,294,684
\$19,000 under \$20,000.....	326,782	6,368,216	306,391	5,661,087	55,121	99,576	57,790	558,486	326,782	6,319,150
\$20,000 under \$25,000.....	1,348,583	30,246,392	1,300,653	27,015,200	272,397	250,917	271,639	2,236,599	1,348,583	29,502,715
\$25,000 and over.....	679,235	18,045,999	663,157	16,483,505	128,431	118,858	129,199	1,094,696	679,235	17,697,059

Size of adjusted gross income	Returns with two or more qualifying children--continued									
	Total earned income credit		EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)
All returns.....	7,988,939	16,801,257	3,170,901	1,552,679	942,176	745,458	1,348,003	1,221,357	6,781,190	14,027,221
No adjusted gross income.....	18,285	41,716	--	--	--	--	14,111	11,397	15,672	30,319
\$1 under \$1,000.....	110,546	35,393	--	--	--	--	*18,410	*1,182	107,438	34,211
\$1,000 under \$2,000.....	187,562	119,550	--	--	--	--	*16,208	*4,743	187,120	114,807
\$2,000 under \$3,000.....	229,221	236,896	--	--	--	--	28,718	11,756	229,221	225,140
\$3,000 under \$4,000.....	216,670	289,683	--	--	--	--	28,689	9,701	216,663	279,982
\$4,000 under \$5,000.....	205,805	368,097	--	--	--	--	48,686	27,399	205,805	340,698
\$5,000 under \$6,000.....	236,717	474,147	--	--	--	--	34,463	24,699	236,717	449,448
\$6,000 under \$7,000.....	274,609	671,951	--	--	--	--	63,002	48,086	274,451	623,865
\$7,000 under \$8,000.....	281,386	789,533	--	--	--	--	43,613	26,384	280,155	763,149
\$8,000 under \$9,000.....	358,853	1,178,884	--	--	--	--	113,975	119,820	357,852	1,059,064
\$9,000 under \$10,000.....	358,373	1,208,191	*5,791	*580	--	--	93,293	97,517	352,758	1,110,094
\$10,000 under \$11,000.....	348,373	1,205,955	*1,253	*376	--	--	74,939	84,116	346,984	1,121,463
\$11,000 under \$12,000.....	358,123	1,228,525	*9,322	*3,353	--	--	68,318	78,797	356,734	1,146,375
\$12,000 under \$13,000.....	341,302	1,106,185	*17,998	*4,063	--	--	48,388	53,204	340,300	1,048,918
\$13,000 under \$14,000.....	358,604	1,094,861	78,022	6,063	--	--	64,434	70,991	358,447	1,017,807
\$14,000 under \$15,000.....	397,507	1,157,986	176,440	24,864	--	--	39,725	52,205	397,231	1,080,917
\$15,000 under \$16,000.....	364,020	968,106	164,165	47,546	--	--	52,595	81,681	361,277	838,879
\$16,000 under \$17,000.....	344,096	835,406	188,205	66,309	--	--	57,686	75,664	337,739	693,434
\$17,000 under \$18,000.....	353,859	765,021	259,689	88,530	*3,107	*270	63,739	59,585	328,247	616,925
\$18,000 under \$19,000.....	290,429	571,853	194,321	90,412	--	--	62,337	71,058	262,997	410,382
\$19,000 under \$20,000.....	326,782	584,192	254,460	136,411	*3,107	*584	59,421	58,970	294,065	388,811
\$20,000 under \$25,000.....	1,348,583	1,628,438	1,186,216	866,903	334,283	119,350	231,628	147,158	874,876	614,377
\$25,000 and over.....	679,235	240,688	635,017	217,269	601,678	625,253	21,625	5,261	58,439	18,157

* 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

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