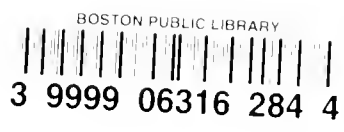
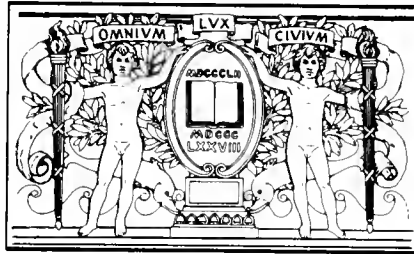


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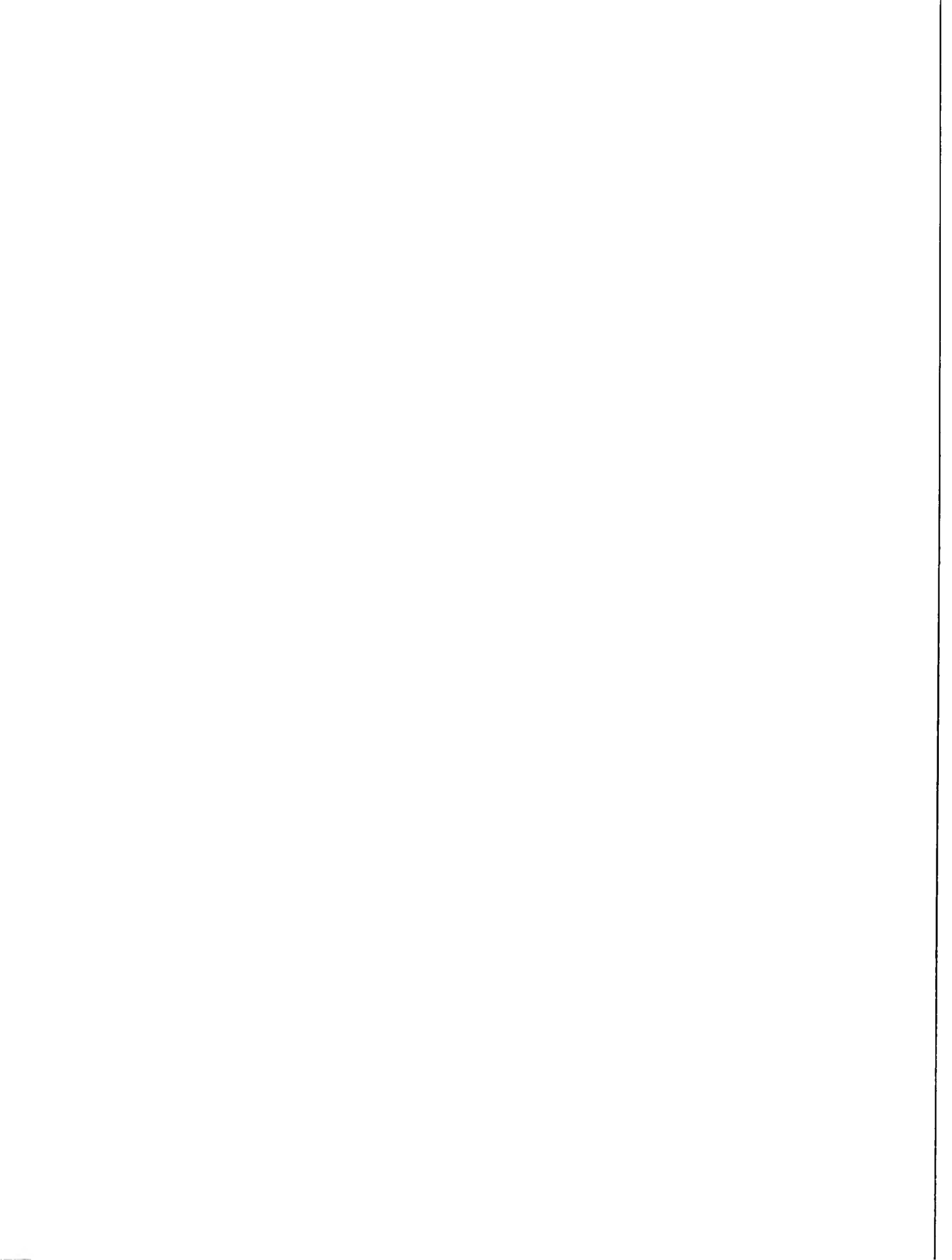
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# 1979

Statistics  
of Income

# Individual Income Tax Returns

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## SOI Bulletin

(quarterly publication;  
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Preliminary Sole Proprietorship  
Return Data, 1978  
Preliminary Partnership Return  
Data, 1978

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Return Data, 1980  
Data on Tax-exempt Organizations,  
1975-78  
Selected Corporate, Proprietorship,  
and Partnership Data, 1978  
Windfall Profit Tax Liability  
Data, 1980

### Contents, Vol. 1, No. 3, Winter 1981- 1982:

Projections of Return Filings, 1982-  
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## Selected Reports in Preparation

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Sole Proprietorship Returns,  
1979-1980  
Individual Income Tax Returns, 1980  
International Income and Taxes,  
Foreign Income and Taxes  
Reported on U.S. Tax Returns,  
1976-1979  
SOI Bulletin, Spring 1982

## Tape Files Available

Individual Tax Model File, 1966-1977  
State Tax Model File, 1977-1979  
Corporation Source Book, 1965-1977  
Other tape files include:  
Estate Tax File, 1972, 1976  
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## Ordering Information

Statistics of Income reports are for  
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20402

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and Records Service, Washington,  
DC 20408

The 1979 Individual Tax Model files  
are available on a reimbursable basis  
from Statistics Division PR:S, Intern  
Revenue Service, Washington, DC  
20224.



# 979

# Individual Income Tax Returns

Publication 79 (3-82)

Department of the Treasury  
Internal Revenue Service

Osborne L. Egger, Jr.  
Commissioner  
Russell E. Dyke  
Assistant Commissioner  
(Planning and Research)  
Richard Scheuren  
Director, Statistics Division  
John DiPaolo  
Chief, Statistics of Income Branch II

This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, tax credits, self-employment tax, tax withheld, and tax payments. Also shown are foreign and domestic dividends, capital gains and losses, and selected income and tax items for States. Classifications are by tax status, size of adjusted gross income, marital status, and form of deduction. For the first time information previously published in "High Income Tax Returns," a report by the Department of the Treasury, Office of Tax Analysis, is contained in Section 8 of this report.

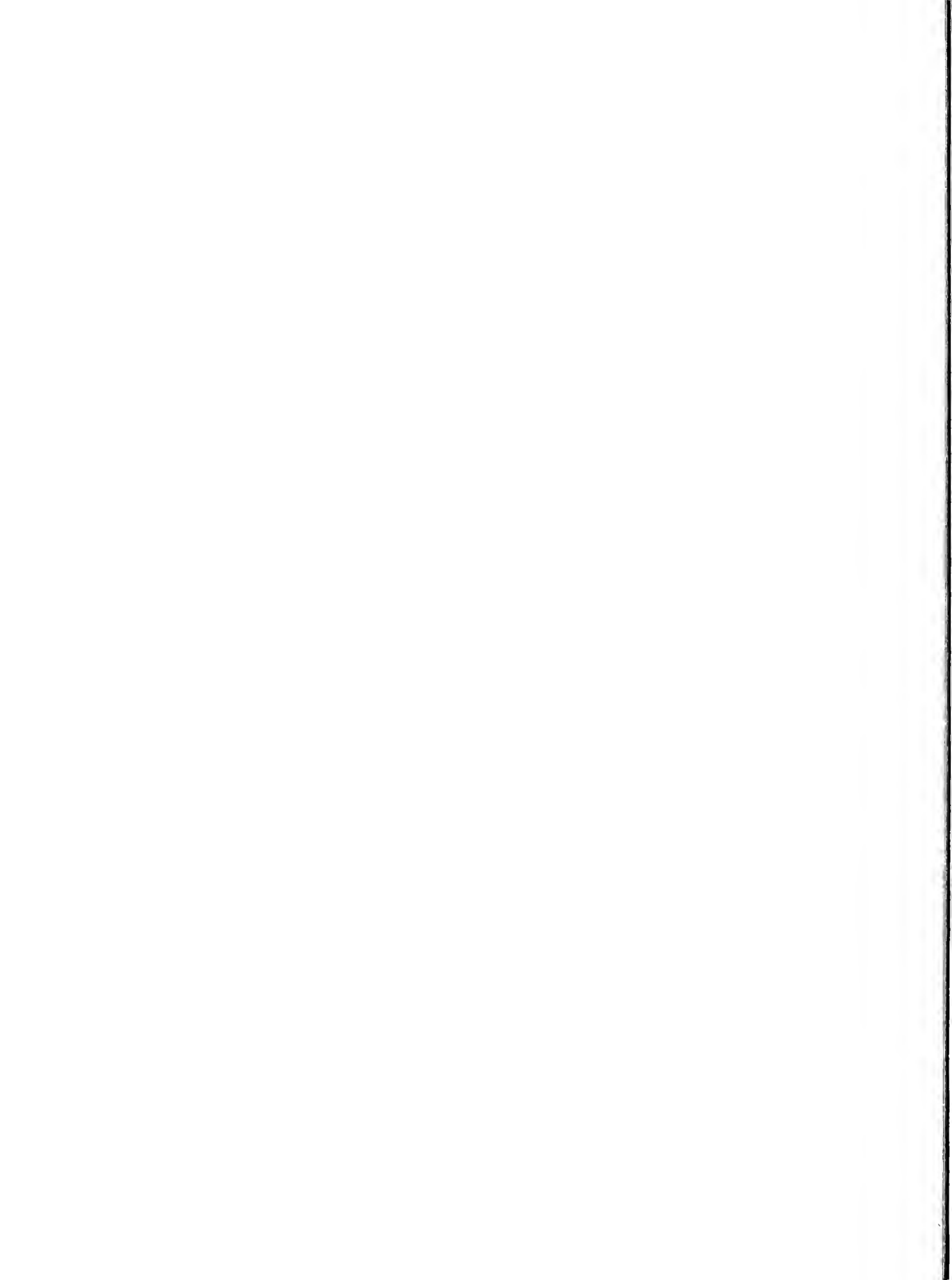
Additional unpublished information from individual income tax returns, classified by States and by size of adjusted gross income, is available on a reimbursable basis from the Internal Revenue Service, Statistics Division. Two public-use computer tape files of the records selected for the Statistics of Income sample are also available on a reimbursable basis from the Statistics Division: the Individual Tax Model File, which is suitable for making national level estimates, and the State Tax Model File, which is suitable for making State level estimates.

### Suggested Citation

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COMMISSIONER OF INTERNAL REVENUE

Washington, DC 20224

March 9, 1982

The Honorable Donald T. Regan  
Secretary of the Treasury  
Washington, DC 20220

Dear Mr. Secretary:

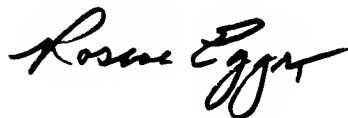
I am transmitting the complete report, Statistics of Income--1979, Individual Income Tax Returns. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws.

The report, based on a sample drawn from the 92.7 million returns filed during Calendar Year 1980, presents information on taxpayers' income, exemptions, deductions, credits and tax. The statistics reflect the increase in the exemption amount and the decrease in tax rates, as well as other provisions effective for Tax Year 1979 under the Revenue Act of 1978.

Classifications used include size of adjusted gross income, marital status, marginal tax rate, and State of residence. Separate statistics are provided on returns with itemized deductions, returns with age exemptions and for the first time an entire section is devoted to high income returns both taxable and nontaxable.

With kind regards,

Sincerely,



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The statistics presented in this report are estimates based on a stratified probability sample of individual income tax returns, selected before audit, and represent coverage of the 92.7 million Forms 1040 and 1040A filed by the Nation's taxpayers for Income Year 1979. The number of returns filed for 1979 represents an increase of approximately 3.3 percent over those filed for 1978.

The Internal Revenue Code of 1954, as amended, provided the legal basis for tax activity detailed in this report. Criteria specified by the Internal Revenue Code covering the filing of a tax return and, therefore, determining the basic coverage of the information in this report are outlined under "Requirements for Filing." Revisions to the Code which affected the comparability of some of the data in this report with data presented for previous years are described under "Changes in Law."

Organizationally, this report is divided into 9 sections. The first section presents data on the number of returns filed and the sources of income reported on those returns, classified by marital status and by size of adjusted gross income. The

itemized deductions and types of exemptions claimed on the 1979 tax returns are covered in section 2. Section 3 provides detailed data on the 1979 tax liability as well as on any tax credits and taxpayments applied to that tax liability. Data from returns filed by taxpayers age 65 or over are presented in section 4. Section 5 covers tax return data classified by State.

Each of the first five sections contains some explanatory text related to the material presented in the section. Terms used in this report are actually defined, however, in section 6. Section 7 contains a description of the sample of tax returns used for the estimates in this report, as well as a discussion of the method of estimation employed and the sampling variability of the data. Section 8 presents data formerly published in the report High Income Tax Returns, prepared by the Treasury Department, Office of Tax Analysis. Special definitions apply to the terms used in this section, and are given in the accompanying text. Facsimiles of the tax return forms (and their instructions) from which the data were gathered for 1979 are reproduced in section 9.

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\*This report was prepared in the Statistics Division by the Individual Income Statistics Section, under the direction of Ray Plowden, Chief. Peter Sailer was responsible for coordinating the major steps in its production, including table specifications, computerized consistency testing, and text writing. June Walters and Rich Hillelson coordinated the review and statistical analysis. Ruth Wise was responsible for copy design and preparation.

# Requirements for Filing

# Changes in Law

The principal criterion which determined whether an individual had to file a return was the size of gross income (all income received in the form of money, property, and services, that was not, by law, expressly exempt from tax), specified according to the individual's marital status. For 1979, a return had to be filed by:

(1) a single person (other than a surviving spouse) under age 65 with gross income of at least \$3,300 (as compared to a \$2,950 filing requirement for 1978);

(2) a single person (other than a surviving spouse) age 65 or over with gross income of at least \$4,300 (\$3,700 for 1978);

(3) a surviving spouse under age 65 with gross income of at least \$4,400 (\$3,950 for 1978);

(4) a surviving spouse age 65 or over with gross income of at least \$5,400 (\$4,700 for 1978);

(5) a married couple, filing a joint return, with both spouses under age 65 and with a combined gross income of at least \$5,400 (\$4,700 for 1978);

(6) a married couple, filing a joint return, with one spouse age 65 or over and with a combined gross income of at least \$6,400 (\$5,450 for 1978);

(7) a married couple, filing a joint return, with both spouses age 65 or over and with a combined gross income of at least \$7,400 (\$6,200 for 1978);

(8) a married person, regardless of age, whose spouse was filing a separate return, if that married person had a gross income of \$1,000 or more (\$750 for 1978).

In addition, any individual claimed as a dependent on another person's return had to file if he or she had "unearned income" (such as dividends, interest, or capital gains) of \$1,000 or more (\$750 or more for 1978). Self-employed persons also had to file if they had "self-employment income" of \$400 or more in order to pay self-employment tax.

Coverage of returns below these income levels was generally limited to persons filing for a refund of income tax withheld or of the earned income credit.

Most taxpayers had to file tax returns within 3-1/2 months after the close of their accounting periods. Since the accounting period used by nearly all individuals for Tax Year 1979 was the calendar year, this meant that returns were due by April 15, 1980. However, each taxpayer could be granted, upon request, one automatic 2-month extension of time to file if he or she paid any estimated tax due by the original due date, by which time the request for an extension had to be made. In addition, U.S. citizens residing or traveling outside the United States and Puerto Rico were automatically granted (without requesting) the 2-month extension.

The Revenue Act of 1978 contained several major revisions to the Internal Revenue Code which became effective for Tax Year 1979. In addition, certain provisions of the Foreign Earned Income Act of 1978 did not become fully effective until 1979. The following list of major tax law changes contains references to the sections of this report where more detailed information and related statistics may be found.

(1) The "zero bracket amount," as well as most other tax brackets, were widened for 1979, thus leading to lower effective tax rates for any given amount of taxable income than were in effect for 1978 (see section 3).

(2) Partially offsetting this decrease in effective tax rates, the general tax credit was allowed to expire.

(3) The exemption amount increased from \$750 to \$1,000 per exemption (see section 2).

(4) Filing requirements were adjusted to reflect the increased exemption and zero bracket amounts (see "Requirements for Filing," above).

(5) Itemized deductions for State and local gasoline taxes and for political contributions were abolished; on the other hand, the maximum political contributions credit rose from \$25 to \$50 per taxpayer.

(6) The alternative tax computation for taxpayers with long-term capital gains and marginal tax rates above 50 percent was abolished; on the other hand, the 60 percent exclusion of long-term capital gains, introduced for sales of capital assets after October 31, 1978, became effective for the full tax year on returns filed for 1979 (see section 3).

(7) Unemployment benefits under State and Federal programs were reportable (and to a certain extent taxable) on individual income tax returns for the first time for Tax Year 1979 (see Section 1).

(8) The earned income credit, available to low-income earners with dependent children, was expanded to cover taxpayers with income under \$10,000, with a maximum credit of \$500 (see section 3). For 1978, the maximum income level was \$8,000, the maximum credit \$400.

(9) The computation of the additional tax for tax preferences was divided into two parts; itemized deductions and capital gains tax preferences were subjected to a new graduated, "alternative minimum tax;" all remaining tax preferences were subject to the regular 15 percent "minimum tax" (see section 3).

(10) Under the Foreign Earned Income Act of 1978, the \$15,000 exemption of foreign earned income was abolished for Tax Year 1979; in its place, U.S. taxpayers with foreign earned income could still claim deductions for excess expenses of living abroad, or an exclusion (up to \$20,000) for living in a hardship area (see section 1).



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Introduction

The information presented in this section covers primarily the number of returns filed for Income Year 1979 and the sources of income, including the statutory adjustments to gross income, reported on these returns. The major classifications of these returns are size of adjusted gross income, marital status, sex of taxpayer and taxability or nontaxability of the return.

Characteristics, such as sources of income and selected tax items, of the returns filed for 1979 compared to 1978 are summarized in table 1A. As can be seen from that table, the number of returns filed increased by almost 3 million, from 89.8 million for 1978 to 92.7 million for 1979; correspondingly, adjusted gross income increased from \$1.3 trillion to over \$1.4 trillion. Table 1B illustrates the effect of these changes by size of adjusted gross income. From 1978 to 1979, returns showing income of less than \$5,000 declined by more than 1.3 million, from 22.2 to 20.9 million, while those showing income of \$20,000 or more increased from 22.3 to 26.3 million. This trend is even more dramatic when viewed over a 10-year period, as can be seen in table 1C. The number of returns with incomes over \$20,000 rose by 675 percent from 1969 to 1979. On the other hand, for 1969, 31.4 million returns showed adjusted gross income of less than \$5,000; by 1979, there were only 20.9 million returns in this class. This decrease is attributable not only to changing economic conditions but also to changes in filing requirements, which made it unnecessary for many persons in this income class to file returns. Table 1C also shows that, in recent years, over three-quarters of the taxpayers in the under \$5,000 income class were nontaxable, with most of these individuals filing for the purpose of obtaining a refund of income tax withheld or the earned income credit.

Cumulated data for the number of returns filed, the amount of adjusted gross income, and the amount of total income tax, classified by size of adjusted gross income are shown in table 1.1. Table 1.2 presents information classified by marital status and sex of taxpayer. Data for sources of income and adjustments, classified by size of adjusted gross income, are presented in table 1.3. Special topics for which data are presented are: nontaxable returns, table 1.4; responses to the presidential election campaign fund question, table 1.5; and Form 1040A returns classified by size of adjusted gross income in table 1.6.

The following text contains background information on some of these items, with special emphasis on new items for Tax Year 1979. Detailed explanations of each of the items tabulated is found in Section 6 of this report, "Explanation of Terms."

\*Richard Thompson was responsible for the review and analysis of the data in this section. He was assisted by Antoinette Lyles.

Table 1A.--Sources of Income and Selected Tax Items, 1978 and 1979

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

Item	1978	1979	Change, 1978 to 1979
	(1)	(2)	(3)
Number of returns, total.....	89,771,551	92,694,302	2,922,751
Taxable.....	68,688,305	71,694,983	3,006,678
Nontaxable.....	21,083,246	20,999,319	-83,927
Adjusted gross income less deficit.....	1,302,447,386	1,465,394,530	162,947,144
Sources of income:			
Salaries and wages.....	1,090,291,855	1,229,251,389	138,959,534
Pensions and annuities in adjusted gross income.....	32,743,819	37,346,510	4,602,691
Business and profession net profit less loss.....	53,546,508	56,564,466	3,017,958
Farm net profit less loss.....	3,565,293	2,123,614	-1,441,679
Partnership net profit less loss.....	15,044,787	12,449,418	-2,595,369
Small Business Corporation net profit less loss.....	2,284,806	2,231,684	-53,122
Sales of capital assets net gain less loss.....	23,231,376	28,448,300	5,216,924
Sales of property other than capital assets net gain less loss.....	1,256,902	961,096	-295,806
Dividends in adjusted gross income.....	30,206,475	33,482,508	3,276,033
Interest received.....	61,222,522	73,875,462	12,652,940
Rent net income less loss.....	3,139,157	1,832,334	-1,306,823
Royalty net income less loss.....	2,559,870	3,008,776	448,906
Estate or trust net income less loss.....	3,079,603	3,780,423	700,820
All other sources (net) <sup>1</sup> .....	2,638,501	4,817,036	2,178,535
Total statutory adjustments.....	22,364,088	24,778,484	2,414,396
Total itemized deductions.....	164,432,406	184,168,669	19,736,263
Number of exemptions.....	219,867,696	224,691,732	4,824,036
Taxable income.....	1,062,190,322	1,157,247,646	95,057,324
Zero bracket amount.....	215,787,307	230,610,133	14,822,826
Income tax before credits.....	203,803,653	220,099,516	16,295,863
Total credits.....	17,085,591	6,780,186	-10,305,405
Income tax after credits.....	186,718,062	213,319,330	26,601,268
Additional tax for tax preferences.....	1,514,475	1,175,188	-339,287
Total income tax.....	188,232,537	214,494,519	26,261,982
Self-employment tax.....	4,705,994	5,365,085	659,091
Total tax liability.....	193,184,849	220,100,162	26,915,313

<sup>1</sup>Consists of State income tax refunds, alimony received, unemployment compensation in adjusted gross income and other income less loss.

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

Data by Sex of Taxpayer

For the first time since 1974, non-joint returns in this report have been classified by sex of taxpayers, with taxpayer name used to determine the classification. (In the case of joint returns, which by definition contain combined amounts for one male and one female taxpayer, no such classification was possible.) Figure 1A shows the change in salaries and wages reported on non-joint returns filed by men and women for Tax Years 1969, 1974, and 1979. Over that period, women's salaries dropped from 93.3 to 81.4 percent of those reported by men. Data on other sources of income are shown in table 1.2.

Unemployment Compensation

Tax Year 1979 was the first time that tax return filers were to show amounts received as unemployment

compensation on their income tax returns. Under the Revenue Act of 1978, all or a portion of such compensation may also have been includible in adjusted gross income, and thus subjected to the Federal individual income tax. The includible portion was computed by adding total unemployment compensation to all other sources of income, and subtracting out an exclusion of \$20,000 for unmarried taxpayers, or \$25,000 for married taxpayers filing jointly (married persons filing separately were not eligible for any exclusion). One-half the excess over the exclusion (but never more than total unemployment compensation) was includible in adjusted gross income. As can be seen from table 1D, fewer than 7 percent of the returns with includible unemployment compensation had adjusted gross income of less than \$10,000, and fewer than 1 percent of these returns became taxable as a result of adding unemployment compensation into adjusted gross income.

Table 1B.--Number of Returns by Marital Status and by Size of Adjusted Gross Income, 1978 and 1979

[All figures are estimates based on samples]

Size of adjusted gross income and marital status	1978	1979	Change, 1978 to 1979
	(1)	(2)	(3)
Number of returns for all adjusted gross income classes.....	89,771,551	92,694,302	2,922,751
Joint returns of husbands and wives.....	44,483,348	44,855,141	371,793
Separate returns of husbands and wives.....	1,567,250	1,726,238	158,988
Returns of heads of households.....	6,382,444	7,213,112	830,668
Returns of surviving spouses.....	126,139	115,240	-10,899
Returns of single persons.....	37,212,370	38,784,571	1,572,201
Under \$5,000, total <sup>1</sup> .....	22,236,197	20,863,567	-1,372,630
Joint returns of husbands and wives.....	2,929,584	2,564,514	-365,070
Separate returns of husbands and wives.....	649,035	520,269	-128,766
Returns of heads of households.....	1,553,456	1,558,311	4,855
Returns of surviving spouses.....	32,974	22,091	-10,883
Returns of single persons.....	17,071,148	16,198,382	-872,766
\$5,000 under \$10,000, total.....	19,585,276	19,664,858	79,582
Joint returns of husbands and wives.....	6,050,137	5,477,986	-572,151
Separate returns of husbands and wives.....	453,128	518,295	65,167
Returns of heads of households.....	2,444,978	2,565,181	120,203
Returns of surviving spouses.....	31,786	38,497	6,711
Returns of single persons.....	10,605,247	11,064,899	459,652
\$10,000 under \$15,000, total.....	14,241,599	14,433,255	191,656
Joint returns of husbands and wives.....	7,443,907	6,466,232	-977,675
Separate returns of husbands and wives.....	237,573	351,716	114,143
Returns of heads of households.....	1,307,103	1,628,732	321,629
Returns of surviving spouses.....	22,537	20,156	-2,381
Returns of single persons.....	5,230,479	5,966,419	735,940
\$15,000 under \$20,000, total.....	11,408,934	11,385,151	-23,783
Joint returns of husbands and wives.....	8,156,001	7,395,421	-760,580
Separate returns of husbands and wives.....	134,454	196,622	62,168
Returns of heads of households.....	619,091	779,512	160,421
Returns of surviving spouses.....	21,177	11,336	-9,841
Returns of single persons.....	2,478,211	3,002,260	524,049
\$20,000 or more, total.....	22,299,545	26,347,471	4,047,926
Joint returns of husbands and wives.....	19,903,719	22,950,988	3,047,269
Separate returns of husbands and wives.....	93,060	139,336	46,276
Returns of heads of households.....	457,816	681,376	223,560
Returns of surviving spouses.....	17,665	23,160	5,495
Returns of single persons.....	1,827,285	2,552,611	725,326

<sup>1</sup>Includes returns with no adjusted gross income.**Income Earned Abroad\***

The Foreign Earned Income Act of 1978 abolished the rule under which any U.S. taxpayer could exempt up to \$15,000 of income earned while living abroad (up to \$20,000 in the case of employees of charitable organizations). In its place, it established two new rules. Persons living in so-called hardship areas could exclude up to \$20,000 of income earned abroad. Other U.S. taxpayers could take an adjustment to income based on the expenses of living abroad. For Tax Year 1978, taxpayers had the option of using

either of the two new rules, or using the old rule in effect for 1977 and earlier years. Table 1E shows that, for Tax Year 1979, most individual taxpayers no longer had the option of using the old "exempt foreign income" computation (it was still used on a few non-calendar year and prior-year delinquent returns). Table 1E also shows that 72 percent of the \$4.7 million of foreign-earned income reported on Forms 2555 for 1979 was includible in adjusted gross income. By way of contrast, for Tax Year 1978, only 59 percent of the foreign-earned income from Form 2555 was includible.

\*Statistics on income earned abroad are presented in this report for the purpose of showing the effect of tax law changes in this area on adjusted gross income. Further details will be available from the Supplemental Report, Statistics of Income--1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns.

Table 1C.--All Returns and Nontaxable Returns, by Size of Adjusted Gross Income, 1969-1979

[All figures are estimates based on samples]

Size of adjusted gross income	All returns	Nontaxable returns		All returns	Nontaxable returns		All returns	Nontaxable returns		
		Number	Percent of all returns		Number	Percent of all returns		Number	Percent of all returns	
		1969			1970			1971		
Total.....	75,834,388	12,112,994	16.0	74,279,831	14,962,460	20.1	74,576,407	14,660,035	19.7	
Under \$5,000.....	31,405,265	11,708,022	37.3	28,308,034	14,493,251	51.2	27,155,048	14,002,305	51.6	
\$5,000 under \$10,000.....	22,657,528	364,981	1.6	22,303,067	429,624	1.9	21,443,479	602,100	2.8	
\$10,000 under \$15,000.....	13,649,392	23,993	0.2	14,106,019	25,118	0.2	14,604,270	37,416	0.3	
\$15,000 under \$20,000.....	4,721,696	7,720	0.2	5,538,453	6,553	0.1	6,453,851	7,834	0.1	
\$20,000 under \$25,000.....	1,536,601	2,993	0.2	1,909,167	2,816	0.1	2,377,638	4,476	0.2	
\$25,000 under \$30,000.....	645,888	857	0.1	768,235	1,759	0.2	968,565	1,642	0.2	
\$30,000 under \$50,000.....	807,497	2,204	0.3	918,188	2,002	0.2	1,077,844	2,884	0.3	
\$50,000 under \$100,000.....	328,410	1,479	0.5	350,978	937	0.3	404,692	1,078	0.3	
\$100,000 under \$200,000....	63,605	445	0.7	62,467	289	0.5	72,856	218	0.3	
\$200,000 under \$500,000....	14,786	188	1.3	12,830	90	0.7	15,089	67	0.4	
\$500,000 under \$1,000,000..	2,509	60	2.4	1,751	18	1.0	2,192	12	0.5	
\$1,000,000 or more.....	1,211	52	4.3	642	3	0.5	883	3	0.3	
		1972			1973			1974		
Total.....	77,572,720	16,703,713	21.5	80,692,587	16,425,425	20.4	83,340,190	16,005,423	19.2	
Under \$5,000.....	26,963,312	15,738,952	58.4	27,037,618	15,491,830	57.3	26,766,673	15,046,441	56.2	
\$5,000 under \$10,000.....	21,175,854	850,252	4.0	20,581,732	797,608	3.9	20,586,617	797,997	3.9	
\$10,000 under \$15,000.....	15,364,155	79,852	0.5	15,804,109	77,445	0.5	15,670,258	104,725	0.7	
\$15,000 under \$20,000.....	7,773,413	18,266	0.2	9,091,001	33,242	0.4	10,071,087	25,517	0.3	
\$20,000 under \$25,000.....	3,093,728	6,388	0.2	3,943,993	9,769	0.2	4,944,795	12,290	0.2	
\$25,000 under \$30,000.....	1,266,377	4,734	0.4	1,741,991	5,131	0.3	2,259,928	5,881	0.3	
\$30,000 under \$50,000.....	1,337,578	3,254	0.2	1,759,837	7,312	0.4	2,173,868	8,939	0.4	
\$50,000 under \$100,000....	483,677	1,590	0.3	596,663	2,466	0.4	700,528	2,667	0.4	
\$100,000 under \$200,000....	91,707	317	0.3	110,176	458	0.4	135,304	722	0.5	
\$200,000 under \$500,000....	19,233	88	0.5	21,929	142	0.6	26,842	196	0.7	
\$500,000 under \$1,000,000..	2,666	14	0.5	2,635	15	0.6	3,194	36	1.1	
\$1,000,000 or more.....	1,030	6	0.6	903	7	0.8	1,096	12	1.1	
		1975			1976			1977		
Total.....	82,229,332	20,738,595	25.2	84,670,389	20,249,022	23.9	86,634,640	22,253,502	25.7	
Under \$5,000.....	24,901,853	17,734,874	71.2	23,935,751	17,127,463	71.6	23,262,635	18,312,713	78.7	
\$5,000 under \$10,000.....	19,952,914	2,614,553	13.1	19,892,956	2,757,467	13.9	19,342,819	3,467,855	17.9	
\$10,000 under \$15,000.....	14,963,680	239,408	1.6	14,551,350	222,449	1.5	14,299,206	284,787	2.0	
\$15,000 under \$20,000.....	10,353,534	93,206	0.9	11,197,191	70,151	0.6	11,404,973	95,064	0.8	
\$20,000 under \$25,000.....	5,598,117	27,110	0.5	6,649,622	31,095	0.5	7,766,714	40,132	0.5	
\$25,000 under \$30,000.....	2,744,255	10,321	0.4	3,629,532	17,107	0.5	4,354,040	20,747	0.5	
\$30,000 under \$50,000.....	2,747,618	13,145	0.5	3,639,050	19,550	0.5	4,784,916	25,032	0.5	
\$50,000 under \$100,000....	781,406	4,984	0.6	948,034	3,180	0.3	1,140,784	6,588	0.6	
\$100,000 under \$200,000....	152,349	734	0.5	185,142	492	0.3	225,150	524	0.2	
\$200,000 under \$500,000....	29,193	204	0.7	36,357	60	0.2	46,386	55	0.1	
\$500,000 under \$1,000,000..	3,289	44	1.3	4,047	**8	**0.1	5,232	**5	**0.1	
\$1,000,000 or more.....	1,124	12	1.1	1,357	**	**	1,785	**	**0.1	
		1978			1979					
Total.....	89,771,551	21,083,246	23.5	92,694,302	20,999,319	22.7				
Under \$5,000.....	22,236,197	17,099,676	76.9	20,863,567	16,144,669	77.4				
\$5,000 under \$10,000.....	19,585,276	3,284,132	16.8	19,664,858	4,217,177	21.4				
\$10,000 under \$15,000.....	14,241,599	421,816	3.0	14,433,255	369,561	2.6				
\$15,000 under \$20,000.....	11,408,934	129,258	1.1	11,385,151	138,379	1.2				
\$20,000 under \$25,000.....	8,552,615	61,600	0.7	9,021,414	57,844	0.6				
\$25,000 under \$30,000.....	5,386,257	34,101	0.6	6,309,121	32,933	0.5				
\$30,000 under \$50,000.....	6,535,452	40,227	0.6	8,675,455	29,415	0.3				
\$50,000 under \$100,000....	1,471,406	11,237	0.8	1,889,878	8,609	0.5				
\$100,000 under \$200,000....	285,309	1,101	0.4	357,872	662	0.2				
\$200,000 under \$500,000....	59,884	88	0.1	80,226	61	0.1				
\$500,000 under \$1,000,000..	6,581	**10	**0.1	9,904	**9	**0.1				
\$1,000,000 or more.....	2,041	**	**	3,601	**	**				

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

Statutory Adjustments to Gross Income

Adjustments to gross income included expenses incurred by business men and women or by farmers in the course of running a business, as well as certain expenses of employees such as moving or travel expenses. Sole proprietorship expenses were reported on Schedules C and F (or, in the case of partnerships or Small Business Corporations, on the appropriate forms filled in by these entities) and are detailed in the reports Statistics of Income--Sole Proprie-

torship Returns, Statistics of Income--Partnership Returns, and Statistics of Income--Corporation Income Tax Returns.

Statutory adjustments, which were reported on the Form 1040, consisted of moving expenses, employee business expenses, payments to an individual retirement arrangement (IRA), payments to a self-employed retirement (Keogh) plan, forfeited interest penalty, alimony paid, and the disability income exclusion. The computation of the disability income exclusion is shown in table 1F.

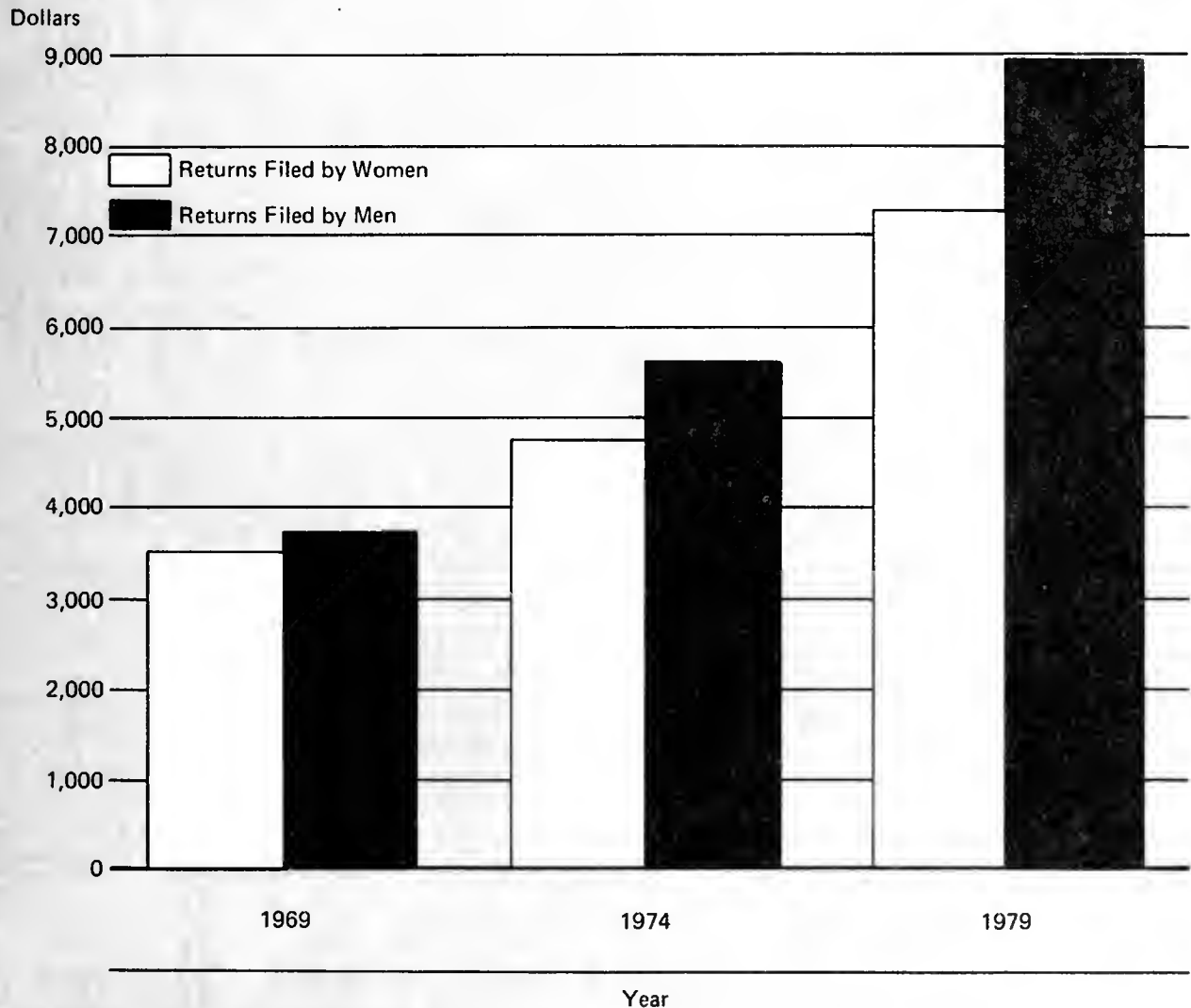
**Figure 1A****Average Salaries and Wages Reported on Non-Joint Returns by Sex of Taxpayer, 1969, 1974, and 1979.**

Table 1D.--Returns With Unemployment Compensation by Tax Status and 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	Exemptions (Amount)	Unemployment compensation		Salaries and wages		Total income tax			
	(1)	(2)			Total	In adjusted gross income	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total.....	6,276,302	90,509,784	16,736,292	7,170,737	1,222,829	994,089	6,216,540	85,764,740	5,080,290	10,393,351		
Under \$2,000.....	198,208	117,399	367,476	327,300	*6,272	*1,449	188,530	309,782	*1,084	*466		
\$2,000 under \$4,000.....	537,372	1,647,284	981,352	739,067	*16,497	*4,864	532,467	1,657,448	136,586	7,079		
\$4,000 under \$6,000.....	649,333	3,262,816	1,223,393	752,422	19,966	10,867	638,060	3,127,723	403,795	93,125		
\$6,000 under \$8,000.....	672,182	4,702,361	1,441,271	735,399	23,699	24,233	661,753	4,519,887	433,347	208,687		
\$8,000 under \$10,000.....	579,088	5,214,032	1,376,856	688,387	18,507	7,611	570,816	4,951,358	493,623	318,884		
\$10,000 or more.....	3,640,119	75,565,892	11,345,944	3,928,163	1,137,888	945,066	3,624,914	71,198,542	3,611,855	9,765,110		
Taxable returns, total.....	5,080,290	85,158,441	13,391,968	5,489,574	1,193,130	973,166	5,046,940	80,436,958	5,080,290	10,393,351		
Under \$2,000.....	*1,084	*-2,452	*2,168	*113	-	-	-	-	*1,084	*466		
\$2,000 under \$4,000.....	136,586	497,946	137,130	146,254	*7,736	*2,115	136,586	494,297	136,586	7,079		
\$4,000 under \$6,000.....	403,795	2,027,727	457,212	456,665	18,244	9,429	398,061	1,976,536	403,795	93,125		
\$6,000 under \$8,000.....	433,347	3,031,269	577,972	428,627	17,694	17,188	428,648	2,930,053	433,347	208,687		
\$8,000 under \$10,000.....	493,623	4,468,306	992,192	566,626	16,659	4,055	486,686	4,245,844	493,623	318,884		
\$10,000 or more.....	3,611,855	75,135,645	11,225,294	3,891,289	1,132,797	940,379	3,596,959	70,790,228	3,611,855	9,765,110		
Nontaxable returns, total.....	1,196,012	5,351,343	3,344,324	1,681,163	29,699	20,923	1,169,600	5,327,781	-	-		
Under \$2,000.....	197,124	119,851	365,308	327,187	*6,272	*1,449	188,530	309,782	-	-		
\$2,000 under \$4,000.....	400,786	1,149,338	844,222	592,813	*8,761	*2,749	395,881	1,163,151	-	-		
\$4,000 under \$6,000.....	245,538	1,235,089	766,181	295,757	*1,722	*1,438	239,999	1,151,187	-	-		
\$6,000 under \$8,000.....	238,835	1,671,092	863,299	306,772	*6,005	*7,045	233,105	1,589,834	-	-		
\$8,000 under \$10,000.....	85,465	745,726	384,664	121,760	*1,848	*3,556	84,130	705,514	-	-		
\$10,000 or more.....	28,264	430,247	120,650	36,874	5,091	4,687	27,955	408,314	-	-		
Returns that would have been nontaxable, except for unemployment compensation, total.....	*8,885	*45,549	*15,729	*18,388	*8,885	*17,613	*8,148	*23,439	*8,885	*1,190		
Under \$2,000.....	-	-	-	-	-	-	-	-	-	-		
\$2,000 under \$4,000.....	*1,903	*5,568	*1,903	*1,203	*1,903	*1,203	*1,903	*4,365	*1,903	*63		
\$4,000 under \$6,000.....	*4,631	*23,497	*5,526	*6,905	*4,631	*6,905	*4,262	*12,343	*4,631	*583		
\$6,000 under \$8,000.....	*2,351	*16,484	*8,300	*10,281	*2,351	*9,506	*1,983	*6,730	*2,351	*544		
\$8,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-		
\$10,000 or more.....	-	-	-	-	-	-	-	-	-	-		

\*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 total because of rounding.

[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	Income earned abroad										Amount included in adjusted gross income		
			Total	Amount exempted		Amount excluded, or deducted		Amount deducted		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
1978															
Total.....	169,951	4,081,973	5,772,795	166,801	2,367,749	135,790	1,955,180	6,136	98,100	28,644	314,468	123,739	3,405,047		
No adjusted gross income.....	21,443	-15,653	296,297	*21,196	*279,969	*21,147	*278,325	-	-	*49	*1,643	*4,535	*16,329		
\$1 under \$10,000.....	54,599	276,085	944,707	54,599	733,380	51,173	688,989	*2,853	*42,795	*573	*1,596	*27,419	*211,326		
\$10,000 under \$20,000.....	26,392	413,726	761,146	26,206	428,866	23,776	395,983	-	-	*5,608	*32,883	24,483	332,280		
\$20,000 under \$30,000.....	21,435	507,601	714,762	20,012	262,310	16,649	235,316	*981	*16,223	*2,382	*10,771	21,435	452,452		
\$30,000 under \$50,000.....	22,093	888,794	1,040,476	21,210	293,057	13,174	185,024	*1,054	*20,020	6,982	88,014	21,897	747,419		
\$50,000 under \$100,000.....	19,220	1,288,701	1,403,379	18,952	295,286	8,374	144,075	*1,238	*18,585	9,870	132,626	19,220	1,108,093		
\$100,000 under \$200,000.....	4,257	546,251	498,278	4,147	67,531	1,277	23,550	*5	*400	2,901	43,581	4,247	430,747		
\$200,000 under \$500,000.....	464	122,218	96,414	432	6,664	195	3,420	*5	*78	257	3,167	459	89,750		
\$500,000 under \$1,000,000.....	40	27,163	12,609	39	594	**25	**500	-	-	19	172	38	12,015		
\$1,000,000 or more.....	8	27,088	4,729	8	93	**	**	-	-	3	16	6	4,636		
1979															
Total.....	129,145	4,094,489	4,659,430	117,632	1,285,251	10,619	127,706	25,144	381,190	81,869	776,355	111,969	3,374,180		
No adjusted gross income.....	3,113	-11,799	56,581	*3,110	*52,581	*20	*342	**	**	*3,089	*52,225	*29	*4,001		
\$1 under \$10,000.....	30,241	131,518	311,743	26,669	205,480	-	-	**7,713	**105,027	18,937	100,466	20,269	106,262		
\$10,000 under \$20,000.....	31,064	451,667	653,437	27,375	303,126	*4,507	*55,268	9,013	140,581	13,855	107,277	28,444	350,310		
\$20,000 under \$30,000.....	15,458	355,764	446,428	14,532	179,888	*3,781	*55,877	*2,103	*24,132	8,648	99,879	14,531	266,540		
\$30,000 under \$50,000.....	25,461	991,436	1,086,898	23,633	255,015	*2,021	*12,267	4,285	75,607	17,327	167,140	25,218	831,884		
\$50,000 under \$100,000.....	17,574	1,213,648	1,276,934	16,325	209,307	*90	*221	1,985	34,943	14,250	174,143	17,279	1,067,627		
\$100,000 under \$200,000.....	5,491	721,026	660,792	5,270	72,033	*190	*3,575	*45	*900	5,035	67,558	5,472	588,760		
\$200,000 under \$500,000.....	685	188,409	141,218	666	7,320	*6	*90	-	-	660	7,230	671	133,898		
\$500,000 under \$1,000,000.....	45	29,100	18,025	42	401	**4	**65	-	-	39	338	45	17,623		
\$1,000,000 or more.....	13	23,720	7,374	10	100	**	**	-	-	9	98	11	7,273		
1979 As A Percent of 1978															
Total.....	76.0	100.3	80.7	70.5	54.3	7.8	6.5	409.8	388.6	285.8	246.9	90.5	99.1		
No adjusted gross income.....	14.5	75.4	19.1	14.7	18.8	0.1	0.1	-	-	6,304.1	3,178.6	0.6	24.5		
\$1 under \$10,000.....	55.4	47.6	33.0	48.8	28.0	-	-	270.3	245.4	3,308.4	6,294.9	73.9	50.3		
\$10,000 under \$20,000.....	117.7	109.2	85.8	104.5	70.7	19.0	14.0	-	-	247.1	326.2	116.2	105.4		
\$20,000 under \$30,000.....	72.1	70.1	62.5	72.6	68.6	22.7	23.7	214.4	148.8	363.1	927.3	67.8	58.9		
\$30,000 under \$50,000.....	115.2	111.5	104.5	111.4	87.0	15.3	6.6	406.5	377.7	248.2	189.9	115.2	111.3		
\$50,000 under \$100,000.....	91.4	94.2	91.0	86.1	70.9	1.1	0.2	160.3	188.0	144.4	131.3	89.9	96.3		
\$100,000 under \$200,000.....	129.0	132.0	132.6	127.1	106.7	14.9	15.2	900.0	225.0	173.6	155.0	128.8	136.7		
\$200,000 under \$500,000.....	147.6	154.2	146.5	154.2	109.8	3.1	2.6	-	-	256.8	228.3	146.2	149.2		
\$500,000 under \$1,000,000.....	112.5	107.1	143.0	107.7	67.5	**16.0	**13.0	-	-	205.3	196.5	118.4	146.7		
\$1,000,000 or more.....	162.5	87.6	155.9	125.0	107.5	**	**	-	-	300.0	612.5	183.3	156.9		

\*Estimate should be used with caution because of the small number of sample returns on which it is based.  
 \*\*Data combined to avoid disclosure of information for specific taxpayers.  
 NOTE: Detail may not add to total because of rounding.

Table 1F.--Returns With Disability Income Payments: Computation of Disability Income Exclusion

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

Size of adjusted gross income	Total disability payments					Adjusted gross income phaseout		Disability income exclusion	
	Number of returns	Number of qualified individuals	Amount of payments	Maximum qualified for exclusion	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total.....	257,742	265,257	1,368,906	1,050,203	1,843,725	50,617	100,329	248,087	949,874
Under \$2,000.....	56,551	60,344	281,319	261,301	27,523	-	-	56,551	261,301
\$2,000 under \$4,000.....	31,160	31,615	162,780	136,381	88,363	-	-	31,160	136,381
\$4,000 under \$6,000.....	39,317	39,317	236,459	170,901	194,975	-	-	39,317	170,901
\$6,000 under \$8,000.....	36,730	38,008	210,076	144,053	254,339	*1,236	*1,279	36,730	142,774
\$8,000 under \$10,000.....	19,737	21,019	126,039	80,149	176,850	*1,282	*2,252	19,737	77,896
\$10,000 under \$15,000.....	54,458	55,165	249,562	187,699	672,208	28,310	35,422	54,458	152,277
\$15,000 under \$20,000.....	13,524	13,524	65,557	44,886	237,408	13,524	36,542	10,134	8,344
\$20,000 under \$25,000.....	*1,748	*1,748	*12,525	*9,090	*37,947	*1,748	*9,090	-	-
\$25,000 or more.....	4,517	4,517	24,590	15,744	154,112	4,517	15,744	-	-

\*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 total because of rounding.











Table 1.2 — All Returns: Sources of Income, Deductions, and Tax Items, by Marital Status and Sex of Taxpayer — Continued

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

Item	Returns of single persons				Returns of surviving spouses					
	Total		Filed by men		Total		Filed by men			
	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)		
Adjusted gross income less deficit	38,784,571	322,053,551	21,477,693	187,198,656	17,306,878	134,854,895	115,240	1,634,351	758,413	875,939
Salaries and wages	34,565,451	266,936,228	19,865,205	167,580,013	14,700,246	99,356,215	97,171	1,035,364	566,605	468,759
Business and profession	1,021,805	7,065,699	704,643	5,503,004	317,162	1,562,696	6,524	69,765	51,340	18,426
Net profit	379,516	1,391,233	257,638	1,095,027	121,878	296,206	1,467	11,815	10,155	1,660
Farm	225,665	1,265,232	184,652	1,115,687	41,013	149,545	*3,399	*28,674	*12,473	*16,201
Net profit	154,546	827,201	124,547	694,539	29,994	132,662	1,541	5,495	3,921	*1,574
Partnership	348,150	2,452,054	207,214	1,717,420	140,936	734,634	842	29,052	17,387	*629
Net profit	225,516	1,273,888	153,426	997,094	72,090	276,794	745	7,726	4,029	3,696
Small Business Corporation	70,584	590,451	44,298	362,328	26,286	228,123	448	9,244	*2,052	*7,193
Net profit	41,882	368,117	32,916	294,806	8,966	73,311	*1,572	*3,632	*3,581	*51
Sales of capital assets	1,586,587	5,640,306	713,409	2,875,999	873,178	2,764,308	10,875	54,798	31,873	22,525
Net gain	512,057	690,989	239,075	349,630	272,982	341,359	2,807	4,195	834	*3,362
Sales of property other than capital assets	87,212	239,358	65,107	183,342	22,105	56,016	983	4,396	*3,293	*1,103
Net gain	65,120	204,796	50,195	175,999	14,925	28,796	*57	*174	†	†
Dividends in adjusted gross income	3,303,270	10,235,169	1,272,818	3,316,931	2,030,452	6,918,238	20,304	51,487	31,850	19,637
Interest received	16,106,597	22,362,119	7,720,419	14,448,178	8,386,178	14,913,364	86,250	209,671	34,314	175,357
Pensions and annuities in adjusted gross income	2,068,453	9,256,438	655,308	3,210,829	1,413,145	6,035,609	26,431	116,261	5,217	93,023
Rent	931,656	2,777,653	329,886	898,686	601,770	1,878,967	8,414	58,618	1,673	55,559
Net income	694,145	1,764,633	408,932	1,274,878	285,213	489,755	12,867	17,689	2,072	14,139
Royalty	157,807	856,856	47,668	254,699	110,139	604,157	430	4,520	*217	*504
Net loss	12,702	34,101	5,688	19,078	7,014	15,023	*190	*185	*182	*178
Estate or trust	369,931	1,884,881	123,319	451,464	246,612	1,433,417	556	16,021	*75	15,728
Net loss	16,115	83,063	8,668	7,447	7,447	29,061	*11	*9	*9	—
State-income tax refunds	1,145,348	334,509	621,668	209,551	529,680	124,958	19,153	4,453	8,249	2,727
Alimony received	119,544	546,129	114,206	477,388	114,949	598,731	—	—	1,726	—
Unemployment compensation in adjusted gross income	139,910	224,721	114,206	62,538	25,709	52,184	*1,175	*130	*130	—
Other income less loss	731,659	2,241,863	393,704	63,980	337,955	161,757	14,206	10,598	9,230	1,369
Total statutory adjustments	2,241,863	4,063,077	1,455,449	3,108,020	786,414	955,058	11,726	19,781	6,528	13,152
Total itemized deductions	3,914,262	20,700,395	2,030,721	11,409,130	1,823,541	9,291,205	32,830	307,674	10,558	217,207
Excess itemized deductions	3,671,442	12,112,040	1,948,208	6,837,508	1,723,234	5,274,532	32,830	196,071	54,590	141,482
Taxable income	35,560,709	269,463,010	19,791,485	158,759,651	15,769,224	110,703,359	105,543	1,167,495	35,894	576,169
Income tax after credits	26,857,163	42,978,511	15,200,338	25,891,360	11,656,825	17,087,151	69,465	192,131	30,049	76,598
Total income tax*	26,864,633	43,136,087	15,206,276	25,995,135	11,658,357	17,140,952	69,478	194,525	30,061	78,215
Total tax liability	27,278,691	43,843,619	15,494,318	26,551,343	11,784,373	17,292,276	69,544	200,533	30,118	39,426
Earned income credit total	*53	*3	*53	*3	—	—	49,711	9,505	7,627	1,489
Payments	35,972,405	50,913,451	20,217,112	31,586,697	15,755,290	19,326,754	98,749	197,035	33,427	79,991
Total	33,954,226	43,894,673	19,475,055	28,647,500	14,479,171	15,247,173	88,280	155,591	31,981	60,313
Advance earned income credit payments	*1,984	*63	*63	*63	—	—	—	—	—	—
Tax due at time of filing	4,356,451	8,225,631	2,620,915	2,611,627	2,735,536	2,214,004	20,961	49,847	6,044	25,339
Total overpayment	32,181,382	11,895,859	18,368,230	7,646,944	13,813,152	4,248,916	86,650	53,069	28,362	30,596
Overpayment refunded	31,804,783	11,372,300	18,179,795	7,420,455	13,424,988	3,951,844	85,471	50,563	28,282	28,546

\* Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
† 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 total because of rounding.

Table 1.3 — 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]

Table with 14 columns: (1) Number of returns, (2) Adjusted gross income, (3) Salaries and wages, (4) Interest received, (5) Alimony received, (6) State income tax refunds, (7) Pensions and annuities, (8) Total, (9) Number of returns, (10) Amount, (11) Number of returns, (12) Amount, (13) Number of returns, (14) Amount. Rows include 'All returns, total', 'Taxable returns, total', and 'Total nontaxable returns'.

Footnote(s) at end of table



Table 1.3 — 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]

Table with multiple columns: Size of adjusted gross income, Total, Dividends and other distributions received, Domestic and foreign dividends received, Adjusted gross income, Dividends in income, Net income, Royalty, Net loss, and Amount. Rows include All returns, Total, and Taxable returns, total.

Footnotes: at end of table









Table 1.3 — 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]

Table with 15 columns: Size of adjusted gross income, Total income, Total loss, Partnership, Net profit, Net loss, Total income, Total loss, Estate of trust, and Total loss. Rows include 'All returns, total' and 'Taxable returns, total' with various income brackets.

Footnotes: at end of table

Table 1.3 — 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.]

Table with columns for Size of adjusted gross income, Estate or trust, Net income, Net loss, Total income, Total loss, Net profit, Net loss, Total, and In adjusted gross income. Rows include 'All returns, total' and 'Taxable returns, total' with detailed sub-categories.

Footnote(s) at end of table

Table 1.3 — All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income — Continued

Table with columns: Net income, Other income, Net loss, Total, Disability income exclusion, Payments to an individual retirement arrangement, Payments to a self-employed retirement plan, Employee business expenses, Size of adjusted gross income. Rows include categories like 'All returns, total', 'No adjusted gross income', and various income ranges from \$1,000 to \$500,000.

Footnotes at end of table



Table 1.4 — Nontaxable Returns: Sources of Income, Itemized Deductions, and Tax Items, by Size of Adjusted Gross Income and Deficit

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

Size of adjusted gross income or deficit	Number of returns	Adjusted gross income less deficit	Salaries and wages		Total net profit from business activities		Total net loss from business activities		Sales of property net gain	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Grand total</b> .....	<b>20,999,319</b>	<b>63,130,899</b>	<b>17,884,362</b>	<b>58,939,456</b>	<b>1,858,593</b>	<b>8,705,694</b>	<b>1,112,918</b>	<b>11,513,274</b>	<b>937,669</b>	<b>2,704,595</b>
<b>Returns with adjusted gross income, total</b> .....	<b>20,465,186</b>	<b>71,958,402</b>	<b>17,672,252</b>	<b>57,169,766</b>	<b>1,821,360</b>	<b>8,255,710</b>	<b>686,175</b>	<b>3,399,552</b>	<b>798,891</b>	<b>1,734,774</b>
\$1 under \$5,000	15,610,536	32,953,209	13,835,304	28,316,345	902,059	1,759,839	329,718	1,272,893	343,712	467,642
\$5,000 under \$10,000	4,217,177	28,381,754	3,398,192	22,187,951	613,800	2,810,914	236,447	1,006,961	278,656	578,741
\$10,000 under \$15,000	369,561	4,385,455	260,957	2,922,583	146,698	1,159,379	70,109	483,149	78,622	234,094
\$15,000 under \$20,000	138,379	2,376,719	92,692	1,429,720	79,988	962,804	28,590	278,650	47,264	177,089
\$20,000 under \$25,000	57,844	1,276,274	33,805	613,636	40,280	660,578	6,682	102,462	23,476	85,177
\$25,000 under \$30,000	32,933	894,741	22,305	526,217	19,507	340,541	6,889	82,857	12,464	72,323
\$30,000 under \$50,000	29,415	1,043,300	21,747	723,801	15,477	366,608	6,164	103,893	11,572	69,343
\$50,000 under \$100,000	8,609	541,669	6,609	369,647	3,400	169,813	1,446	62,233	3,003	46,788
\$100,000 under \$200,000	662	81,764	594	67,967	222	18,767	**112	*3,732	*94	*2,957
\$200,000 under \$500,000	61	16,876	40	8,696	25	4,596	**118	**2,722	24	591
\$500,000 under \$1,000,000	**9	**6,642	**7	**3,202	**4	**1,871	**6	**	**4	**299
\$1,000,000 or more	**	**	**	**	**	**	**	**	**	**
<b>Returns with deficit, total</b> .....	<b>534,133</b>	<b>- 8,827,503</b>	<b>212,110</b>	<b>1,769,690</b>	<b>37,233</b>	<b>449,984</b>	<b>426,743</b>	<b>8,113,722</b>	<b>138,778</b>	<b>969,821</b>
\$0 under \$5,000	315,164	- 520,479	113,224	639,326	20,769	147,605	234,341	1,113,219	63,875	166,848
\$5,000 under \$10,000	75,471	- 547,162	33,183	249,799	4,022	36,597	68,133	807,908	22,635	106,560
\$10,000 under \$15,000	39,463	- 487,028	13,409	111,820	4,484	54,141	33,347	621,416	16,602	88,856
\$15,000 under \$30,000	50,834	- 1,094,333	26,086	251,965	2,909	42,950	44,969	1,288,865	15,496	94,572
\$30,000 under \$50,000	24,702	- 956,367	11,784	135,029	1,228	20,520	23,140	978,731	7,406	71,448
\$50,000 under \$100,000	17,128	- 1,158,202	8,774	152,277	2,269	50,620	13,722	943,915	6,733	98,246
\$100,000 under \$200,000	6,422	- 881,368	3,030	87,699	936	36,935	5,067	699,262	3,260	81,995
\$200,000 or more	4,949	- 3,182,564	2,620	141,775	616	60,615	4,024	1,660,408	2,771	261,295

Size of adjusted gross income or deficit	Sales of property net loss		Total itemized deductions		Taxable income		Income tax before credits		Total tax credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Grand total</b> .....	<b>273,757</b>	<b>817,474</b>	<b>1,087,029</b>	<b>8,224,887</b>	<b>15,261,554</b>	<b>29,776,490</b>	<b>2,574,175</b>	<b>1,039,652</b>	<b>2,574,175</b>	<b>1,039,652</b>
<b>Returns with adjusted gross income, total</b> .....	<b>233,878</b>	<b>463,733</b>	<b>1,087,029</b>	<b>8,224,887</b>	<b>15,261,554</b>	<b>29,776,490</b>	<b>2,573,716</b>	<b>1,039,585</b>	<b>2,573,716</b>	<b>1,039,585</b>
\$1 under \$5,000	104,377	169,179	219,231	1,098,683	10,679,198	12,391,674	312,152	21,394	312,152	21,394
\$5,000 under \$10,000	74,740	128,137	491,304	2,882,274	4,009,136	12,185,039	1,866,126	328,469	1,866,126	328,469
\$10,000 under \$15,000	26,102	63,598	207,275	1,828,441	330,184	1,718,736	187,788	124,065	187,788	124,065
\$15,000 under \$20,000	14,928	48,547	83,253	898,848	128,293	1,247,995	103,138	146,321	103,138	146,321
\$20,000 under \$25,000	2,699	7,892	31,276	315,598	55,392	848,241	51,206	121,323	51,206	121,323
\$25,000 under \$30,000	6,322	24,299	25,046	399,185	28,705	471,468	23,928	75,142	23,928	75,142
\$30,000 under \$50,000	3,562	17,631	23,642	534,120	22,983	513,749	20,469	99,366	20,469	99,366
\$50,000 under \$100,000	1,024	2,941	5,502	218,534	7,083	326,960	6,330	91,758	6,330	91,758
\$100,000 under \$200,000	*109	*341	444	36,245	530	59,129	530	25,104	530	25,104
\$200,000 under \$500,000	**15	**1,167	47	11,369	42	8,384	41	4,025	41	4,025
\$500,000 under \$1,000,000	**	**	**7	**1,590	**8	**5,114	**8	**2,617	**8	**2,617
\$1,000,000 or more	**	**	**	**	**	**	**	**	**	**
<b>Returns with deficit, total</b> .....	<b>39,879</b>	<b>353,741</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>*459</b>	<b>*66</b>	<b>*459</b>	<b>*66</b>
\$0 under \$5,000	19,323	67,525	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	4,120	17,328	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	3,521	24,368	—	—	—	—	**291	**55	**291	**55
\$15,000 under \$30,000	3,451	27,162	—	—	—	—	—	—	—	—
\$30,000 under \$50,000	2,453	26,568	—	—	—	—	**168	**11	**168	**11
\$50,000 under \$100,000	2,095	80,865	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	532	19,000	—	—	—	—	—	—	—	—
\$200,000 or more	384	90,925	—	—	—	—	—	—	—	—

\*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.

†Consists of business and profession, farm partnership and Small Business Corporation net gain (loss).

‡Consists of gain (loss) from sales of capital assets and gain (loss) from sales of property other than capital assets.

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









Table 1.6 — Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Political contributions credit		Total				Used to offset income tax before credits		Earned income credit				Refundable portion		Income tax after credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>All returns, total</b>	<b>942,982</b>	<b>46,417</b>	<b>4,529,547</b>	<b>1,358,040</b>	<b>2,269,089</b>	<b>341,918</b>	<b>3,443,808</b>	<b>1,016,122</b>	<b>2,260,458</b>	<b>723,836</b>	<b>24,232,359</b>	<b>28,308,794</b>				
Under \$1,000	—	—	153,741	8,946	—	—	153,741	8,946	—	—	—	—				
\$1,000 under \$2,000	—	—	361,428	40,316	—	—	361,428	40,316	—	—	—	—				
\$2,000 under \$3,000	—	—	409,658	88,558	—	—	409,658	88,558	—	—	—	—				
\$3,000 under \$4,000	17,788	557	41,428	144,462	13,763	711	409,658	143,751	395,895	139,433	1,544,649	72,887				
\$4,000 under \$5,000	—	1,367	458,155	204,988	1,361,622	8,061	458,155	196,927	321,993	142,310	1,807,650	300,093				
\$5,000 under \$6,000	49,046	1,846	583,840	265,707	277,261	43,358	583,840	222,350	256,579	128,109	1,889,391	608,838				
\$6,000 under \$7,000	61,793	2,640	695,181	285,079	312,222	46,347	695,181	160,839	242,959	107,439	1,981,219	904,335				
\$7,000 under \$8,000	64,361	3,951	700,719	287,029	405,562	105,997	700,719	160,839	242,959	107,439	1,981,219	904,335				
\$8,000 under \$9,000	87,450	3,681	591,926	112,412	508,956	86,909	591,926	96,122	48,905	16,512	1,868,964	1,327,483				
\$9,000 under \$10,000	30,995	2,452	523,681	34,854	495,165	31,944	523,681	2,911	30,516	2,339	1,838,775	1,572,788				
\$10,000 under \$11,000	65,675	2,852	65,675	—	—	—	65,675	—	—	—	1,543,142	1,598,127				
\$11,000 under \$12,000	45,155	1,755	—	—	—	—	—	—	—	—	1,399,371	1,671,846				
\$12,000 under \$13,000	62,907	2,740	—	—	—	—	—	—	—	—	1,239,191	1,684,029				
\$13,000 under \$14,000	42,590	1,741	—	—	—	—	—	—	—	—	1,097,837	1,676,840				
\$14,000 under \$15,000	50,807	3,001	—	—	—	—	—	—	—	—	960,516	1,654,449				
\$15,000 under \$20,000	166,067	9,502	—	—	—	—	—	—	—	—	3,298,457	7,409,474				
\$20,000 under \$25,000	68,887	5,226	—	—	—	—	—	—	—	—	1,245,056	3,649,169				
\$25,000 under \$30,000	33,193	2,531	—	—	—	—	—	—	—	—	471,600	1,999,696				
\$30,000 or more	12,125	1,097	—	—	—	—	—	—	—	—	165,901	1,035,229				
<b>Taxable returns, total</b>	<b>898,984</b>	<b>44,557</b>	<b>1,085,739</b>	<b>169,117</b>	<b>1,085,739</b>	<b>169,117</b>	<b>3,443,808</b>	<b>1,016,122</b>	<b>2,260,458</b>	<b>723,836</b>	<b>24,232,359</b>	<b>28,308,794</b>				
Under \$1,000	—	—	—	—	—	—	—	—	—	—	—	—				
\$1,000 under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—				
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—	—	—	—				
\$3,000 under \$4,000	13,873	446	—	—	—	—	—	—	—	—	—	—				
\$4,000 under \$5,000	39,356	1,364	—	—	—	—	—	—	—	—	—	—				
\$5,000 under \$6,000	46,976	1,743	—	—	—	—	—	—	—	—	—	—				
\$6,000 under \$7,000	59,697	2,422	—	—	—	—	—	—	—	—	—	—				
\$7,000 under \$8,000	67,087	2,764	—	—	—	—	—	—	—	—	—	—				
\$8,000 under \$9,000	75,726	3,077	—	—	—	—	—	—	—	—	—	—				
\$9,000 under \$10,000	48,863	2,295	—	—	—	—	—	—	—	—	—	—				
\$10,000 under \$11,000	65,675	2,852	—	—	—	—	—	—	—	—	—	—				
\$11,000 under \$12,000	45,155	1,755	—	—	—	—	—	—	—	—	—	—				
\$12,000 under \$13,000	62,907	2,740	—	—	—	—	—	—	—	—	—	—				
\$13,000 under \$14,000	42,590	1,741	—	—	—	—	—	—	—	—	—	—				
\$14,000 under \$15,000	50,807	3,001	—	—	—	—	—	—	—	—	—	—				
\$15,000 under \$20,000	166,067	9,502	—	—	—	—	—	—	—	—	—	—				
\$20,000 under \$25,000	68,887	5,226	—	—	—	—	—	—	—	—	—	—				
\$25,000 under \$30,000	33,193	2,531	—	—	—	—	—	—	—	—	—	—				
\$30,000 or more	12,125	1,097	—	—	—	—	—	—	—	—	—	—				
<b>Total nontaxable returns</b>	<b>43,998</b>	<b>1,860</b>	<b>3,443,808</b>	<b>1,188,923</b>	<b>1,183,350</b>	<b>172,801</b>	<b>3,443,808</b>	<b>1,016,122</b>	<b>2,260,458</b>	<b>723,836</b>	<b>24,232,359</b>	<b>28,308,794</b>				
All returns, summary	—	—	—	—	—	—	—	—	—	—	—	—				
Under \$5,000	59,216	1,924	1,648,554	487,269	1,498,925	8,771	1,648,554	478,497	1,498,629	419,562	3,980,760	373,566				
\$5,000 under \$10,000	326,560	14,048	2,880,993	870,771	2,119,164	333,147	2,880,993	537,624	761,829	304,274	9,430,528	5,556,369				
\$10,000 under \$15,000	287,134	12,089	—	—	—	—	—	—	—	—	6,240,057	8,285,291				
\$15,000 or more	280,272	18,356	—	—	—	—	—	—	—	—	5,181,014	14,093,568				

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\*Norman Waits was responsible for the review and analysis of the data in this section. He was assisted by Elnora Mason.

Introduction

Data presented in this section cover deductions from adjusted gross income. These deductions were used to arrive at taxable income and included the \$1,000 allowed for each personal exemption.

Table 2A highlights changes from 1978 to 1979 in the form of deduction used. Returns with itemized deductions increased from 25.8 million for 1978 to 26.5 million for 1979. There was also a slight increase in the number of returns with a "zero bracket amount only," from 59.7 million to 60.7 million.

The basic tables in this section cover the following topics. Data for the major categories of itemized deductions are shown in table 2.1, classified by size of adjusted gross income. Information on the sources of income on returns with itemized deductions, classified by sex and marital status, are presented in table 2.2. Data for the types of itemized deductions, classified by size of adjusted gross income, can be found in tables 2.3 through 2.7. The characteristics of returns related to the types of exemption, number of exemptions, and sources of income, classified by size of adjusted gross income, are available in table 2.8. Detailed information on the exemptions claimed for taxpayers and dependents, classified by marital status, is shown in table 2.9.

Itemized Deductions

Generally, taxpayers could itemize their deductions only if the total exceeded the "zero bracket amount" (exceptions to this rule are discussed below). The major types of itemized deductions which could be claimed were taxes (for example, real estate and State and local income taxes), medical expenses, interest expenses, charitable contributions, and certain "miscellaneous" deductions. Two types of itemized deductions were no longer available for 1979: the deduction for political contributions and the deduction for nonbusiness State and local gasoline taxes. These two changes, along with the increased zero bracket amount (see section 3), no doubt contributed to the relatively small increase in returns with itemized deductions, reflected in table 2A.

Table 2A.--Form of Deduction and Size of Adjusted Gross Income, 1978 and 1979

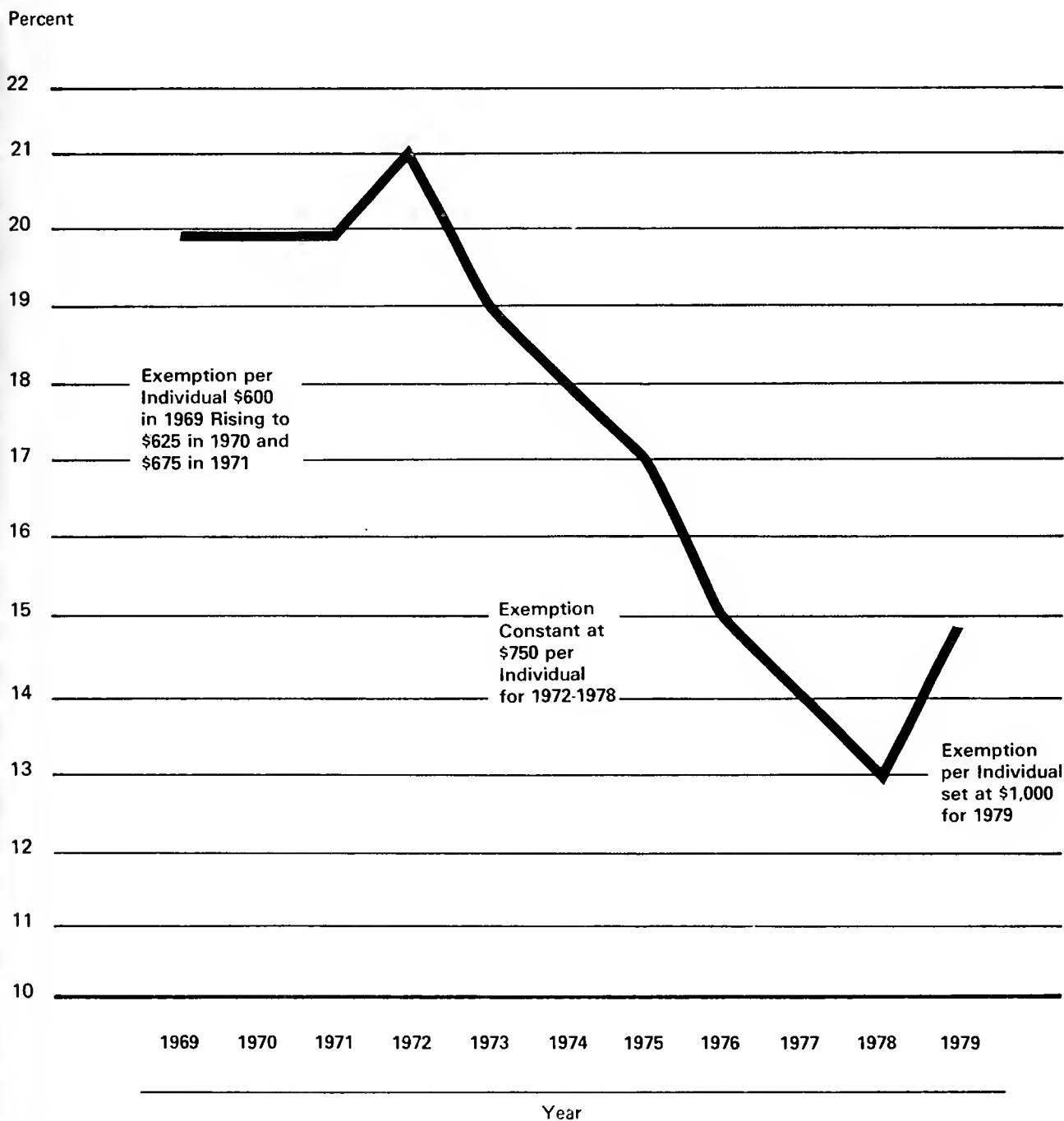
[All figures are estimates based on samples--money amounts are in thousands of dollars]

Form of deduction and size of adjusted gross income	Number of returns			Adjusted gross income less deficit			Average adjusted gross income less deficit (Dollars)		
	1978	1979	Change, 1978 to 1979	1978	1979	Change, 1978 to 1979	1978	1979	Change, 1978 to 1979
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All Returns</b>									
Total.....	89,771,551	92,694,302	2,922,751	1,302,447,386	1,465,394,530	162,947,144	14,508	15,808	1,300
Under \$5,000.....	22,236,197	20,863,567	-1,372,630	47,581,705	42,493,093	-5,088,612	2,139	2,036	-103
\$5,000 under \$10,000.....	19,585,276	19,664,858	79,582	143,810,537	145,712,572	1,902,035	7,342	7,409	67
\$10,000 under \$15,000.....	14,241,599	14,433,255	191,656	176,530,628	178,809,257	2,278,630	12,395	12,388	-7
\$15,000 under \$20,000.....	11,408,934	11,385,151	-23,783	198,794,563	198,510,919	-283,644	17,424	17,435	11
\$20,000 or more.....	22,299,545	26,347,471	4,047,926	735,729,954	899,868,690	164,138,736	32,993	34,153	1,160
<b>Returns With--</b>									
<b>Itemized deductions</b>									
Total.....	25,756,298	26,483,877	727,579	708,460,175	796,072,911	87,612,736	27,506	30,058	2,552
Under \$5,000.....	438,096	418,675	-19,421	1,262,033	1,265,842	3,809	2,880	3,023	143
\$5,000 under \$10,000.....	1,577,463	1,303,394	-274,069	12,497,180	10,213,104	-2,284,076	7,922	7,835	-87
\$10,000 under \$15,000.....	2,855,845	2,612,111	-243,734	36,202,597	33,211,190	-2,991,407	12,676	12,714	38
\$15,000 under \$20,000.....	4,550,191	3,883,697	-666,494	80,308,615	68,470,170	-11,838,445	17,649	17,630	-19
\$20,000 or more.....	16,334,708	18,266,000	1,931,292	578,189,751	682,912,606	104,722,855	35,396	37,387	1,991
<b>Zero bracket amount only</b>									
Total.....	59,717,131	60,718,980	1,001,849	597,699,822	672,159,722	74,459,900	10,008	11,070	1,062
Under \$5,000.....	17,513,193	15,073,125	-2,440,068	50,107,978	44,821,056	-5,286,922	2,861	2,973	112
\$5,000 under \$10,000.....	17,994,599	18,243,245	248,646	131,237,662	134,758,568	3,520,906	7,293	7,386	93
\$10,000 under \$15,000.....	11,385,754	11,819,685	433,931	140,328,031	145,583,264	5,255,234	12,324	12,317	-7
\$15,000 under \$20,000.....	6,858,743	7,501,454	642,711	118,485,948	130,040,749	11,554,801	17,275	17,335	60
\$20,000 or more.....	5,964,842	8,081,471	2,116,629	157,540,203	216,956,084	59,415,881	26,411	26,846	435
<b>Neither itemized deductions nor zero bracket amount</b>									
Total.....	4,298,122	5,491,445	1,193,323	-3,712,611	-2,838,103	874,508	-863	-516	347
Under \$5,000.....	4,284,908	5,371,767	1,086,859	-3,788,306	-3,593,806	194,500	-884	-669	215
\$5,000 or more.....	13,214	119,678	106,464	75,695	755,703	680,008	5,728	16,413	10,685
<b>Form of deduction and size of adjusted gross income</b>									
				Zero bracket amount			Total itemized deductions		
	1978	1979	Change, 1978 to 1979	1978	1979	Change, 1978 to 1979	1978	1979	Change, 1978 to 1979
	(10)	(11)	(12)	(13)	(14)	(15)			
<b>All Returns</b>									
Total.....	215,787,307	230,610,133	14,822,825	164,432,406	184,168,669	19,736,262			
Under \$5,000.....	27,648,302	22,942,136	-4,706,166	1,041,367	1,275,640	234,273			
\$5,000 under \$10,000.....	47,692,344	48,065,732	373,388	6,506,052	5,725,580	-780,472			
\$10,000 under \$15,000.....	38,467,028	39,818,829	1,351,801	12,920,692	12,360,072	-560,620			
\$15,000 under \$20,000.....	33,133,224	34,124,050	990,826	22,481,420	19,913,782	-2,567,638			
\$20,000 or more.....	68,846,408	85,659,386	16,812,977	121,482,875	144,893,594	23,410,719			
<b>Returns With--</b>									
<b>Itemized deductions</b>									
Total.....	75,937,593	81,821,248	5,883,654	164,432,406	184,168,669	19,736,262			
Under \$5,000.....	723,257	616,793	-106,464	1,041,367	1,275,640	234,273			
\$5,000 under \$10,000.....	3,622,243	2,902,619	-719,625	6,506,052	5,725,580	-780,472			
\$10,000 under \$15,000.....	7,678,489	7,154,969	-523,520	12,920,692	12,360,072	-560,620			
\$15,000 under \$20,000.....	13,291,876	11,564,092	-1,727,783	22,481,420	19,913,782	-2,567,638			
\$20,000 or more.....	50,621,729	59,582,775	8,961,046	121,482,875	144,893,594	23,410,719			
<b>Zero bracket amount only</b>									
Total.....	139,849,714	148,788,886	8,939,171	-	-	-			
Under \$5,000.....	26,925,045	22,325,344	-4,599,701	-	-	-			
\$5,000 under \$10,000.....	44,070,101	45,163,113	1,093,012	-	-	-			
\$10,000 under \$15,000.....	30,788,540	32,663,860	1,875,321	-	-	-			
\$15,000 under \$20,000.....	19,841,349	22,559,958	2,718,609	-	-	-			
\$20,000 or more.....	18,224,680	26,076,610	7,851,931	-	-	-			
<b>Neither itemized deductions nor zero bracket amount</b>									
Total.....	-	-	-	-	-	-			
Under \$5,000.....	-	-	-	-	-	-			
\$5,000 or more.....	-	-	-	-	-	-			

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



**Figure 2A**  
**Total Exemption Amount as a Percent of Adjusted Gross Income,**  
**All Returns, 1969-1979**



Unused Zero Bracket Amount

Four groups of taxpayers were required to itemize their deductions, even if those deductions were less than the zero bracket amount. These groups were:

(1) certain married persons filing separate returns (if one spouse claimed itemized deductions, the other had to do so as well and, in some cases, this may have meant claiming no deductions where one spouse claimed all the deductions);

(2) dependents with unearned income, i.e., children with investment income who were being claimed as dependents on their parents' returns, but who were also filing on their own because they had unearned income of \$1,000 or more (while the law stipulated that the children had to itemize on their own returns, they were allowed to substitute their earned income for total itemized deductions if the former was the larger of the two);

(3) "dual-status" aliens, i.e., aliens who spent only part of the year in the United States; and,

(4) taxpayers with income from sources in U.S. possessions excluded from Federal income taxation.

Taxpayers in these four categories whose itemized deductions fell short of the zero bracket amount had to compute an "unused zero bracket amount," which equalled the amount of the shortfall. The "unused zero bracket amount" was added to adjusted gross income in the computation of taxable income, since the tax rate schedules which were applied to taxable income allowed for the full zero bracket amount.

Exemptions

In the computation of taxable income, each taxpayer was allowed one exemption of \$1,000 for himself or herself. On a joint return, husband and wife could each claim an exemption, even if only one had income. Additional \$1,000 exemptions could be claimed by both taxpayer and spouse for blindness or for having attained the age of 65. A married person filing a separate return, but whose spouse had no income and was not the dependent of another taxpayer, could also claim all the exemptions to which that spouse was entitled. In addition, one exemption could be claimed for each qualified dependent.

Figure 2A shows the total exemption amount for all returns as a percent of adjusted gross income, for the years 1969-1979. The exemption amount was \$600 for 1969 and increased as follows: \$625 (1970), \$675 (1971), \$750 (1972), and \$1,000 (1979). The graph illustrates that the percentage remained constant as the exemption amount per individual was increased for 1970, 1971, and 1972, but steadily declined when the amount remained at \$750 from 1973 through 1978. The trend was reversed when the exemption amount was raised to \$1,000 for 1979.



Individual Returns/1979 • Itemized Deductions and Exemptions

Table 2.1 — Returns With Itemized Deductions: Deductions by Type and 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	Contributions deduction		Miscellaneous deductions				Excess itemized deductions		Unused zero bracket amount	
	Number of returns	Amount	Total		Net casualty or theft loss		Number of returns	Amount	Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount				
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>All returns, total.....</b>	<b>24,556,366</b>	<b>22,210,838</b>	<b>22,291,213</b>	<b>13,940,255</b>	<b>2,588,233</b>	<b>2,799,122</b>	<b>26,189,094</b>	<b>101,420,619</b>	<b>291,788</b>	<b>443,727</b>
Under \$2,000	43,524	17,593	37,795	79,030	*1,043	*1,875	37,226	192,772	65,363	134,224
\$2,000 under \$4,000	93,738	45,376	120,008	68,163	8,534	6,048	95,732	2,612,082	106,243	169,860
\$4,000 under \$6,000	208,397	104,118	194,532	91,988	24,592	19,568	239,482	444,456	47,803	54,471
\$6,000 under \$8,000	413,018	221,134	354,284	148,818	30,477	37,765	468,910	866,629	24,455	31,700
\$8,000 under \$10,000	535,225	274,601	484,065	185,057	42,408	51,172	621,449	1,208,445	15,406	19,054
\$10,000 under \$12,000	778,446	444,211	680,243	311,965	95,619	106,750	874,652	1,712,485	9,186	14,260
\$12,000 under \$14,000	986,531	561,709	857,320	367,112	85,126	98,651	1,095,040	2,123,857	*2,126	*1,735
\$14,000 under \$16,000	1,202,162	696,110	1,109,139	560,351	127,205	157,814	1,312,576	2,613,382	*6,938	*5,766
\$16,000 under \$18,000	1,339,688	744,006	1,259,384	577,355	129,781	121,952	1,468,565	3,021,251	*3,343	*2,765
\$18,000 under \$20,000	1,585,416	931,483	1,456,779	716,779	150,025	174,825	1,720,014	3,820,108	*1,864	*2,965
\$20,000 under \$25,000	4,353,145	2,546,476	4,025,070	1,959,607	451,604	340,317	4,687,980	11,162,448	*1,333	*630
\$25,000 under \$30,000	3,982,071	2,602,850	3,680,033	1,882,408	381,787	302,794	4,230,406	12,252,776	*3,188	*1,852
\$30,000 under \$50,000	6,905,666	6,103,199	6,236,272	4,044,206	780,399	795,216	7,143,240	30,578,124	*3,916	*3,960
\$50,000 under \$100,000	1,704,606	3,050,644	1,439,643	1,632,435	222,976	349,234	1,757,265	16,630,418	*484	*373
\$100,000 under \$200,000	334,727	1,528,111	279,679	697,096	43,850	165,359	344,442	7,388,309	*116	*91
\$200,000 under \$500,000	76,913	1,095,449	65,413	360,677	10,689	49,627	78,730	4,063,870	*21	*18
\$500,000 under \$1,000,000	9,586	478,386	8,417	122,302	1,527	10,390	9,813	1,366,366	**	**
\$1,000,000 or more	3,505	765,323	3,137	134,708	591	9,764	3,572	1,792,842	3	3
<b>Taxable returns, total.....</b>	<b>23,673,804</b>	<b>21,533,226</b>	<b>21,585,464</b>	<b>13,231,831</b>	<b>2,517,154</b>	<b>2,444,932</b>	<b>25,134,253</b>	<b>96,403,592</b>	<b>259,600</b>	<b>407,630</b>
Under \$2,000	11,833	624	17,942	4,065	—	—	684	8,988	56,709	120,522
\$2,000 under \$4,000	16,504	3,155	60,105	51,469	*1,537	*1,453	8,563	3,595	91,187	154,810
\$4,000 under \$6,000	89,968	33,240	92,812	51,766	9,782	6,422	86,720	72,675	40,427	47,643
\$6,000 under \$8,000	233,571	122,557	214,128	101,519	22,951	30,386	252,593	262,783	23,353	31,182
\$8,000 under \$10,000	381,838	180,166	362,901	128,499	35,596	33,307	435,892	566,175	15,406	19,054
\$10,000 under \$12,000	681,989	380,502	590,949	251,030	86,470	75,925	754,810	1,097,539	9,186	14,260
\$12,000 under \$14,000	926,613	507,292	813,807	337,724	82,123	85,418	1,025,330	1,683,843	*2,126	*1,735
\$14,000 under \$16,000	1,168,047	640,667	1,063,112	530,222	123,008	141,838	1,275,092	2,331,250	*6,938	*5,766
\$16,000 under \$18,000	1,301,092	706,058	1,229,170	544,693	126,636	108,658	1,425,056	2,720,036	*3,343	*2,765
\$18,000 under \$20,000	1,567,085	908,501	1,442,806	684,293	145,255	147,416	1,700,031	3,657,237	*1,864	*2,965
\$20,000 under \$25,000	4,325,511	2,512,301	4,005,520	1,934,916	449,090	325,070	4,656,704	10,950,260	*1,333	*630
\$25,000 under \$30,000	3,962,251	2,582,770	3,652,479	1,854,092	379,798	293,667	4,205,358	11,933,828	*3,188	*1,852
\$30,000 under \$50,000	6,883,479	6,057,425	6,217,940	3,901,788	776,450	688,732	7,119,598	30,121,589	*3,916	*3,960
\$50,000 under \$100,000	1,699,784	3,032,946	1,435,531	1,571,474	221,945	297,920	1,751,763	16,429,989	*484	*373
\$100,000 under \$200,000	334,283	1,526,775	279,338	670,833	43,716	139,840	343,998	7,353,513	*116	*91
\$200,000 under \$500,000	76,871	1,094,590	65,373	356,548	10,679	46,725	78,683	4,052,653	**21	**18
\$500,000 under \$1,000,000	9,581	478,341	8,415	122,289	1,527	10,390	9,807	1,365,300	**	**
\$1,000,000 or more	3,504	765,317	3,136	134,611	591	9,764	3,571	1,792,340	3	3
<b>Total nontaxable returns.....</b>	<b>882,562</b>	<b>677,612</b>	<b>705,749</b>	<b>708,424</b>	<b>71,079</b>	<b>354,190</b>	<b>1,054,841</b>	<b>5,017,027</b>	<b>32,188</b>	<b>36,097</b>
<b>All returns, summary</b>										
Under \$5,000	200,546	97,332	228,625	188,815	19,390	12,214	216,291	568,741	202,384	338,812
\$5,000 under \$10,000	1,093,354	565,489	962,059	384,239	87,664	104,214	1,246,508	2,325,642	56,886	70,497
\$10,000 under \$15,000	2,339,591	1,337,485	2,068,127	924,523	240,131	263,704	2,594,930	4,997,983	15,677	18,720
\$15,000 under \$20,000	3,552,654	2,040,033	3,294,738	1,609,038	347,625	396,289	3,875,917	8,293,100	*7,780	*8,771
\$20,000 or more	17,370,219	18,170,499	15,737,664	10,833,638	1,893,423	2,022,701	18,255,448	85,235,153	9,061	6,928

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

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

NOTE: Detail may not add to total because of rounding



Table 2.2 — Returns With Itemized Deductions: Sources of Income by Sex and Marital Status — Continued

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

Item	Returns of single persons				Returns of surviving spouses			
	Total		Filed by men		Total		Filed by men	
	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)
Adjusted gross income less deficit	3,914,262	81,229,015	2,090,721	46,707,985	1,823,541	34,521,030	32,830	843,404
Salaries and wages	2,972,873	55,099,935	1,783,113	37,476,871	1,189,760	17,623,064	26,404	477,572
Business and Profession	229,369	3,196,923	158,719	2,452,698	70,650	744,325	2,839	49,410
Net profit	101,741	438,775	65,765	350,220	35,976	88,556	943	5,104
Farm	18,920	219,459	14,153	161,055	4,767	58,404	68	*355
Net profit	17,575	154,321	10,915	106,896	6,660	47,425	232	4,473
Partnership	131,704	1,449,720	70,062	1,005,844	61,642	443,876	802	29,009
Net profit	111,363	750,977	73,600	584,164	37,783	166,813	364	3,936
Net loss								
Small Business Corporation	37,377	451,534	24,191	273,646	13,546	177,888	*267	*8,403
Net profit	23,571	209,107	16,938	150,609	6,633	58,498	*1,494	*3,435
Net loss	3,706	242,427	7,253	122,937	6,913	118,758	*1,263	*4,965
Sales of capital assets	636,339	3,741,776	293,263	1,883,173	343,076	1,858,602	5,462	38,864
Net gain	255,481	389,981	130,210	203,156	125,251	186,824	2,652	4,151
Net loss								
Sales of property other than capital assets	29,597	101,390	20,154	72,828	9,443	28,562	275	1,387
Net gain	20,551	105,180	13,718	96,131	6,833	9,049	*53	*173
Net loss	8,046	1,210	6,436	1,697	2,610	1,513	222	1,314
Dividends in adjusted gross income	1,142,786	7,184,966	450,688	2,811,182	692,098	4,803,714	8,922	40,693
Interest received	3,043,489	8,112,290	1,497,071	2,673,611	1,546,418	5,438,679	27,428	105,262
Pensions and annuities in adjusted gross income	496,577	2,718,606	141,111	889,897	355,466	1,828,710	8,756	70,987
Rent	288,620	1,288,130	115,708	405,433	172,912	852,696	4,286	34,295
Net income	312,056	998,673	192,204	723,341	119,852	275,332	5,772	13,156
Net loss								
Royalty	53,685	507,521	15,352	133,658	38,333	373,863	293	3,831
Net income	6,264	17,578	3,144	13,065	3,120	4,513	*190	*185
Net loss								
Estate or trust	186,469	1,281,489	47,015	247,115	139,454	1,034,374	382	14,959
Net income	7,893	35,483	3,706	21,091	4,187	14,392	*11	*9
Net loss								
State income tax refunds	961,868	298,943	541,748	188,426	420,120	110,518	12,868	4,127
Alimony received	45,435	2,682	2,682	*6,217	42,753	275,607	—	—
Unemployment compensation in adjusted gross income	50,232	33,488	45,100	29,896	5,132	3,592	—	—
Other income less loss	224,067	240,032	126,890	157,979	97,377	82,053	3,452	8,698
Total statutory adjustments	825,445	1,848,867	562,253	1,482,871	263,192	365,996	5,191	8,163
Total itemized deductions	3,914,262	20,700,335	2,090,721	11,409,130	1,823,541	9,291,205	32,830	307,674
Excess itemized deductions	3,671,442	12,112,040	1,948,208	6,837,508	1,723,234	5,274,532	32,830	195,071
Taxable income	3,633,403	64,755,649	2,062,129	37,535,385	1,771,274	27,250,264	32,165	601,923
Income tax after credits	3,978,021	15,408,190	2,000,601	6,529,663	1,678,220	6,478,507	24,906	130,422
Total income tax	3,983,569	15,534,644	2,005,191	9,014,593	1,678,378	6,520,052	24,906	132,729
Total tax liability	3,710,963	15,771,118	2,026,391	9,192,235	1,684,272	6,578,863	24,973	135,331
Earned income credit, total							5,339	*1,302
Overpayment refunded								
Tax payments	3,529,631	16,244,098	1,934,096	9,947,311	1,595,735	6,296,787	27,855	118,419
Total	2,920,269	11,474,705	1,731,840	7,975,302	1,188,429	3,499,403	25,647	83,140
Income tax withheld								
Advance earned income credit payments								
Tax due at time of filing	1,129,883	2,543,438	528,369	1,298,510	601,514	1,304,928	11,334	36,123
Total overpayment	2,666,456	3,016,852	1,532,784	1,939,587	1,133,672	1,023,267	7,488	20,257
Overpayment refunded	2,436,992	2,648,002	1,467,278	1,838,650	969,714	809,353	18,433	17,799

\* Estimate should be used with caution because of the small number of sample returns on which it is based  
 † Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals  
 NOTE: Detail may not add to total because of rounding



Table 2.4 — Returns With Contributions Deduction: Contributions Deduction by Size of Adjusted Gross Income

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

Table with 11 columns: Size of adjusted gross income, Number of returns, Adjusted gross income, Total itemized deductions, Contributions deduction, Cash contributions, Other than cash contributions, Carryover from prior years, Amount not deductible because of income limitation. Rows include 'All returns, total', 'Taxable returns, total', and 'Total nontaxable returns' with various income brackets.

\*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 total because of rounding.



Table 2.5 — Returns With Medical and Dental Expense Deduction: Medical and Dental Expenses Deducted by Size of Adjusted Gross Income

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

Table with columns for Size of adjusted gross income, Total, One-half insurance premiums not subject to reduction by 3 percent of adjusted gross income, Total, and Medical and dental expenses subject to reduction by 3 percent of adjusted gross income. Rows include All returns, total, and Taxable returns, total, with various income brackets and summary data.

Footnotes at end of table.

Table 2.5 — Returns With Medical and Dental Expense Deduction: Medical and Dental Expenses Deducted 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	Medical and dental expenses subject to reduction by 3 percent of adjusted gross income—Continued										
	Medicine and drugs—Continued		Balances of insurance premiums		All other medical and dental expenses		Non-deductible amount (3 percent of adjusted gross income)		Medical and dental expenses in excess of 3 percent of adjusted gross income		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
<b>All returns, total</b>	<b>3,541,616</b>	<b>762,361</b>	<b>12,078,431</b>	<b>4,217,955</b>	<b>13,091,725</b>	<b>14,935,793</b>	<b>14,632,109</b>	<b>8,947,442</b>	<b>9,857,221</b>	<b>10,968,666</b>	
Under \$2,000	18,742	3,797	23,217	9,658	34,214	39,843	35,438	1,231	35,487	52,067	
\$2,000 under \$4,000	13,365	64,031	18,108	87,362	104,678	89,462	89,462	9,321	89,462	126,829	
\$4,000 under \$6,000	25,853	167,989	55,857	207,884	288,185	215,278	215,278	32,628	205,980	337,267	
\$6,000 under \$8,000	44,785	272,717	44,785	345,185	522,834	362,221	362,221	34,003	341,000	578,973	
\$8,000 under \$10,000	219,420	378,339	378,339	459,055	511,745	490,176	490,176	126,612	440,187	579,855	
\$10,000 under \$12,000	292,263	60,257	528,088	201,364	615,815	784,695	656,279	207,149	582,644	839,168	
\$12,000 under \$14,000	292,718	59,627	228,584	724,368	824,128	786,114	786,114	285,505	675,233	806,835	
\$14,000 under \$16,000	59,932	647,643	887,311	260,282	1,101,064	1,171,859	966,746	364,770	728,000	710,533	
\$16,000 under \$18,000	50,386	735,386	834,009	250,779	971,643	847,802	847,802	1,143	782,889	717,714	
\$18,000 under \$20,000	268,885	48,793	825,632	276,133	1,040,062	1,040,062	1,040,062	522,002	792,589	650,617	
\$20,000 under \$25,000	617,881	2,147,926	2,147,926	727,047	2,401,406	2,066,611	2,066,611	1,020,274	1,807,070	1,510,283	
\$25,000 under \$30,000	392,800	88,895	1,946,912	593,585	2,006,617	2,006,617	2,006,617	1,450,274	1,340,074	1,238,823	
\$30,000 under \$50,000	427,081	109,851	2,943,730	1,001,064	2,968,783	3,655,440	3,453,267	2,814,141	1,818,487	1,947,213	
\$50,000 under \$100,000	41,962	637,035	295,959	567,451	1,171,859	736,696	736,696	868,746	273,290	615,787	
\$100,000 under \$200,000	1,670	106,749	53,923	122,311	306,855	192,776	192,776	24,228	169,472	169,472	
\$200,000 under \$500,000	90	147	24,306	14,509	99,697	53,356	53,356	3,060	56,762	56,762	
\$500,000 under \$1,000,000	**	2,998	1,230	17,331	17,331	10,115	10,115	275	8,452	8,452	
\$1,000,000 or more	**	1,020	407	6,638	6,638	5,143	5,143	55	1,901	1,901	
<b>Taxable returns, total</b>	<b>3,097,322</b>	<b>654,608</b>	<b>11,428,728</b>	<b>3,926,330</b>	<b>12,260,004</b>	<b>13,025,455</b>	<b>13,769,301</b>	<b>8,708,836</b>	<b>9,035,256</b>	<b>8,897,557</b>	
Under \$2,000	*23	*2	*2,304	*600	4,504	881	4,465	198	4,504	1,295	
\$2,000 under \$4,000	*5,426	*804	6,236	997	6,220	1,301	6,544	689	6,520	2,412	
\$4,000 under \$6,000	43,565	6,413	67,389	43,565	79,319	61,980	80,928	12,563	78,099	72,143	
\$6,000 under \$8,000	103,868	22,877	154,184	43,015	179,166	168,922	191,814	39,872	175,998	194,942	
\$8,000 under \$10,000	162,898	30,993	253,021	88,548	310,391	232,822	336,678	86,927	296,396	264,896	
\$10,000 under \$12,000	245,743	48,100	447,620	162,021	516,766	482,344	553,100	173,859	482,867	516,776	
\$12,000 under \$14,000	262,115	601,298	202,981	667,284	614,901	726,136	726,136	262,305	616,833	606,311	
\$14,000 under \$16,000	296,128	55,710	703,331	248,086	804,295	857,227	857,227	351,688	699,641	626,095	
\$16,000 under \$18,000	560,268	27,912	703,621	236,807	800,949	744,131	853,892	394,495	634,355	634,355	
\$18,000 under \$20,000	564,778	47,796	814,995	269,857	960,322	811,247	1,027,907	515,546	751,713	613,294	
\$20,000 under \$25,000	609,223	120,143	2,129,656	714,520	2,381,352	2,131,113	2,609,821	1,498,567	1,789,379	1,476,209	
\$25,000 under \$30,000	390,010	87,404	1,839,878	586,669	1,931,496	1,927,741	2,190,349	1,437,728	1,325,425	1,164,087	
\$30,000 under \$50,000	424,219	109,080	2,935,535	995,388	4,242,219	3,606,384	3,442,673	2,809,330	1,810,417	1,901,523	
\$50,000 under \$100,000	41,296	15,880	634,730	294,744	564,927	1,138,965	733,669	864,345	271,348	581,244	
\$100,000 under \$200,000	2,379	1,670	106,681	53,884	77,474	306,057	122,076	192,339	146,971	169,271	
\$200,000 under \$500,000	89	144	24,291	10,265	14,495	99,248	27,391	53,296	3,076	58,359	
\$500,000 under \$1,000,000	**	**	2,998	1,230	17,331	17,331	3,312	10,114	285	36,462	
\$1,000,000 or more	**	**	1,020	407	6,638	6,638	1,119	55	55	1,901	
<b>Total nontaxable returns</b>	<b>444,294</b>	<b>107,753</b>	<b>649,703</b>	<b>291,625</b>	<b>831,721</b>	<b>1,910,338</b>	<b>862,808</b>	<b>238,606</b>	<b>821,965</b>	<b>2,071,111</b>	
All returns, summary											
Under \$5,000	123,995	25,088	143,211	42,688	194,193	241,672	201,521	20,620	197,053	288,828	
\$5,000 under \$10,000	517,956	110,218	762,482	274,637	939,527	1,225,613	901,054	224,305	914,079	1,386,164	
\$10,000 under \$15,000	740,420	149,005	1,533,336	567,093	1,749,376	1,966,316	1,881,344	667,827	1,619,418	2,017,222	
\$15,000 under \$20,000	129,940	677,048	1,923,708	650,049	2,229,877	2,976,454	2,976,454	1,123,138	1,860,132	1,727,660	
\$20,000 or more	1,482,197	348,110	7,715,694	2,883,488	7,978,752	9,428,747	9,181,736	6,911,551	5,266,539	5,548,794	

\* Estimate should be used with caution because of the small number of sample returns on which it is based.  
 \*\* Data computed to avoid disclosure of information for nonrespondents.  
 NOTE: Detail may not add to total because of rounding.

Table 2.6 — Returns With Interest Paid Deduction: Interest Deducted 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	Total				Home mortgage interest		Credit card interest		All other interest	
	Number of returns	Adjusted gross income	Total itemized deductions	Interest deducted	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns, total...</b>	<b>24,511,744</b>	<b>737,930,924</b>	<b>172,705,550</b>	<b>74,427,045</b>	<b>20,854,096</b>	<b>48,496,718</b>	<b>16,765,589</b>	<b>4,015,958</b>	<b>19,842,439</b>	<b>21,914,370</b>
Under \$2,000	37,532	44,303	211,742	112,657	26,213	76,502	17,145	2,836	24,186	33,319
\$2,000 under \$4,000	83,523	269,623	389,104	205,715	68,646	122,342	33,162	5,052	49,719	78,321
\$4,000 under \$6,000	192,094	993,058	800,515	347,294	139,496	231,667	92,016	15,949	131,248	59,678
\$6,000 under \$8,000	370,294	2,623,645	1,589,077	716,742	268,548	488,552	197,762	35,090	249,664	195,101
\$8,000 under \$10,000	550,719	4,395,472	2,542,457	1,236,864	451,594	860,274	343,932	77,745	372,226	298,845
\$10,000 under \$12,000	761,795	6,410,746	3,495,336	1,568,861	597,116	1,059,111	475,490	104,863	590,180	404,887
\$12,000 under \$14,000	988,532	12,879,101	4,720,695	2,157,771	806,012	1,462,094	642,245	146,561	742,129	529,115
\$14,000 under \$16,000	1,237,222	18,589,618	6,016,827	2,707,699	977,821	1,896,757	831,528	189,214	939,728	621,729
\$16,000 under \$18,000	1,401,072	23,834,785	7,037,140	3,277,230	1,147,021	2,292,977	946,438	204,680	1,123,665	779,573
\$18,000 under \$20,000	1,626,050	30,920,683	8,657,339	4,062,740	1,385,107	2,859,777	1,109,018	241,737	1,295,666	961,226
\$20,000 under \$25,000	4,516,926	101,669,923	25,192,105	11,708,263	3,928,210	8,150,382	3,276,558	743,075	3,669,353	2,814,806
\$25,000 under \$30,000	4,047,053	110,847,347	25,118,344	11,347,851	3,547,512	7,839,513	2,977,435	720,225	3,401,617	2,788,113
\$30,000 under \$50,000	6,745,537	249,023,188	51,865,991	22,033,650	5,937,977	14,942,057	4,802,782	1,275,280	5,617,489	5,816,312
\$50,000 under \$100,000	1,578,216	102,912,780	20,768,504	8,205,055	1,303,395	4,809,786	885,652	222,742	1,311,380	3,172,526
\$100,000 under \$200,000	296,902	39,035,293	7,685,487	2,805,446	220,870	1,077,852	114,850	26,937	255,167	1,700,657
\$200,000 under \$500,000	66,555	18,791,351	3,830,589	1,257,273	42,323	255,232	17,368	3,570	58,840	998,472
\$500,000 under \$1,000,000	8,207	5,444,770	1,224,815	343,266	4,544	36,508	1,599	322	7,428	306,456
\$1,000,000 or more	3,015	6,645,237	1,559,483	330,669	1,491	15,336	549	80	2,754	315,254
<b>Taxable returns, total</b>	<b>23,617,550</b>	<b>728,625,180</b>	<b>165,972,735</b>	<b>71,071,678</b>	<b>20,089,217</b>	<b>46,377,288</b>	<b>16,278,622</b>	<b>3,892,170</b>	<b>19,196,373</b>	<b>20,802,220</b>
Under \$2,000	3,898	6,291	12,093	8,071	*659	*6,930	*1,768	*89	*2,103	*1,052
\$2,000 under \$4,000	8,982	30,214	18,180	7,801	*3,413	*2,320	*4,401	*508	8,898	4,973
\$4,000 under \$6,000	72,322	382,450	215,243	81,711	43,122	54,716	35,875	5,179	53,636	21,817
\$6,000 under \$8,000	191,632	1,378,979	667,284	270,943	117,068	162,404	100,952	15,822	139,725	92,718
\$8,000 under \$10,000	383,460	3,503,683	1,491,616	707,313	305,872	507,809	242,207	47,088	250,798	152,416
\$10,000 under \$12,000	664,292	7,346,265	2,735,134	1,184,574	513,081	815,860	417,040	84,899	504,252	283,816
\$12,000 under \$14,000	933,230	12,166,796	4,228,456	1,902,763	757,536	1,317,171	606,805	139,297	697,171	446,295
\$14,000 under \$16,000	1,203,527	18,082,166	5,671,110	2,538,469	947,781	1,774,046	812,717	182,970	912,392	581,453
\$16,000 under \$18,000	1,361,495	23,162,075	6,631,356	3,061,969	1,109,068	2,135,665	923,545	199,738	1,090,185	726,565
\$18,000 under \$20,000	1,609,580	30,606,825	8,478,595	3,963,760	1,369,319	2,796,697	1,097,942	238,697	1,280,786	928,366
\$20,000 under \$25,000	4,431,906	101,117,955	24,928,315	11,549,162	3,906,454	8,058,846	3,261,994	738,061	3,648,666	2,752,255
\$25,000 under \$30,000	4,022,503	110,180,396	24,722,720	11,138,296	3,526,729	7,719,981	2,965,383	716,859	3,379,758	2,701,456
\$30,000 under \$50,000	6,722,943	248,219,146	51,359,975	21,809,632	5,920,307	14,854,972	4,790,467	1,270,155	5,597,577	5,684,504
\$50,000 under \$100,000	1,573,591	102,597,404	20,559,189	8,121,628	1,299,856	4,787,545	883,371	222,024	1,306,698	3,112,059
\$100,000 under \$200,000	296,458	38,978,681	7,649,243	2,800,422	220,623	1,075,603	114,648	26,835	254,748	1,697,985
\$200,000 under \$500,000	66,515	18,780,207	3,821,513	1,252,569	42,297	254,924	17,359	3,548	58,804	994,097
\$500,000 under \$1,000,000	8,202	5,441,661	1,223,737	342,265	4,542	36,496	1,599	322	7,423	305,447
\$1,000,000 or more	3,014	6,643,987	1,558,978	330,330	1,490	15,304	549	80	2,753	314,946
<b>Total nontaxable returns</b>	<b>894,194</b>	<b>9,305,744</b>	<b>6,732,815</b>	<b>3,355,367</b>	<b>764,879</b>	<b>2,119,430</b>	<b>486,967</b>	<b>123,787</b>	<b>646,066</b>	<b>1,112,150</b>
All returns, summary										
Under \$5,000	193,196	639,565	900,011	462,611	148,782	290,218	82,223	14,601	120,796	157,792
\$5,000 under \$10,000	1,040,966	8,286,537	4,632,884	2,158,662	805,915	1,489,120	601,854	122,070	706,247	547,471
\$10,000 under \$15,000	2,343,840	29,905,232	11,024,535	4,959,251	1,875,794	3,408,428	1,517,226	331,369	1,786,405	1,219,455
\$15,000 under \$20,000	3,670,831	64,729,702	18,902,801	8,815,049	3,037,283	6,182,287	2,487,493	555,686	2,904,963	2,077,076
\$20,000 or more	17,262,911	634,369,888	137,245,319	58,031,472	14,986,322	37,126,666	12,076,793	2,992,231	14,324,028	17,912,575

\*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 total because of rounding

Individual Returns/1979 • Itemized Deductions and Exemptions

Table 2.7 — Returns With Total Miscellaneous Deductions: Total Miscellaneous 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	Total				Net casualty or theft loss		Union dues		Other miscellaneous deductions	
	Number of returns	Adjusted gross income	Total itemized deductions	Total miscellaneous deductions	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns, total.....</b>	<b>22,291,213</b>	<b>676,362,643</b>	<b>156,537,070</b>	<b>13,940,255</b>	<b>2,588,233</b>	<b>2,799,122</b>	<b>8,561,168</b>	<b>1,816,615</b>	<b>21,163,653</b>	<b>9,324,518</b>
Under \$2,000	37,795	53,179	203,017	79,030	*1,043	*1,675	*308	*90	37,301	77,065
\$2,000 under \$4,000	120,008	369,233	312,569	66,163	8,534	6,048	10,065	1,629	113,233	60,488
\$4,000 under \$6,000	194,532	1,000,940	716,835	91,988	24,592	19,568	24,120	1,997	187,192	70,422
\$6,000 under \$8,000	354,264	2,516,106	1,484,719	148,818	30,477	37,765	69,795	9,052	330,409	102,00*
\$8,000 under \$10,000	484,065	4,400,174	2,183,005	185,057	42,408	51,172	91,240	11,905	447,678	121,982
\$10,000 under \$12,000	660,243	7,518,759	3,155,937	311,965	95,619	106,750	191,694	24,297	621,141	180,918
\$12,000 under \$14,000	857,320	11,180,234	4,058,794	367,112	85,126	98,651	275,662	43,415	803,254	225,048
\$14,000 under \$16,000	1,109,139	16,666,263	5,373,607	560,351	127,205	157,814	421,970	68,469	1,040,872	334,067
\$16,000 under \$18,000	1,259,384	21,429,276	6,279,076	577,355	129,781	121,952	539,267	90,272	1,163,966	365,132
\$18,000 under \$20,000	1,456,779	27,713,250	7,667,074	716,779	150,025	174,825	613,974	106,031	1,353,954	435,922
\$20,000 under \$25,000	4,025,070	90,592,692	22,290,155	1,959,607	451,604	340,317	1,897,919	386,021	3,813,469	1,233,265
\$25,000 under \$30,000	3,680,033	100,854,379	22,642,734	1,862,408	381,787	302,794	1,739,355	376,084	3,502,596	1,203,530
\$30,000 under \$50,000	6,236,272	230,129,184	47,484,263	4,044,206	780,399	795,216	2,486,529	628,926	5,999,443	2,620,064
\$50,000 under \$100,000	1,439,643	93,863,821	18,770,543	1,632,435	222,976	349,234	190,398	66,182	1,400,902	1,217,019
\$100,000 under \$200,000	279,679	36,822,593	7,231,957	697,096	43,850	165,359	7,983	1,980	272,751	529,757
\$200,000 under \$500,000	65,413	18,544,861	3,771,025	360,877	10,689	49,627	777	206	64,135	311,048
\$500,000 under \$1,000,000	8,417	5,605,251	1,262,501	122,302	1,527	10,390	92	37	8,270	111,873
\$1,000,000 or more	3,137	7,100,448	1,649,260	134,708	591	9,764	20	23	3,087	124,927
<b>Taxable returns, total.....</b>	<b>21,585,464</b>	<b>668,978,317</b>	<b>150,871,475</b>	<b>13,231,831</b>	<b>2,517,154</b>	<b>2,444,932</b>	<b>8,452,238</b>	<b>1,799,140</b>	<b>20,500,505</b>	<b>8,987,758</b>
Under \$2,000	17,942	28,259	15,251	4,065	—	—	—	—	17,942	4,065
\$2,000 under \$4,000	60,105	175,870	65,218	51,469	*1,537	*1,453	*3,841	*244	58,569	49,777
\$4,000 under \$6,000	92,812	481,704	232,727	51,766	9,782	8,422	*8,938	*1,013	89,872	42,332
\$6,000 under \$8,000	214,128	1,527,387	706,026	101,519	22,951	30,386	50,971	5,964	196,917	65,168
\$8,000 under \$10,000	362,901	3,317,241	1,383,988	128,499	35,596	33,307	72,200	8,892	335,895	86,300
\$10,000 under \$12,000	590,949	6,540,788	2,434,890	251,030	86,470	75,925	172,701	21,612	538,497	153,494
\$12,000 under \$14,000	813,807	10,616,789	3,620,949	337,724	82,123	85,418	267,706	42,350	760,889	209,958
\$14,000 under \$16,000	1,083,112	16,277,031	5,084,957	530,222	123,008	141,838	415,639	66,995	1,016,243	321,388
\$16,000 under \$18,000	1,229,170	20,915,661	5,962,789	544,693	126,636	108,658	534,080	89,287	1,134,603	346,744
\$18,000 under \$20,000	1,442,806	27,448,271	7,498,441	684,293	145,255	147,416	610,020	104,534	1,342,294	432,341
\$20,000 under \$25,000	4,005,520	90,163,166	22,064,563	1,934,916	449,090	325,070	1,896,229	385,821	3,795,853	1,224,021
\$25,000 under \$30,000	3,662,479	100,376,230	22,316,594	1,854,092	379,798	293,667	1,736,338	375,720	3,486,200	1,184,701
\$30,000 under \$50,000	6,217,940	229,486,862	47,024,775	3,901,788	776,450	688,732	2,484,477	628,358	5,981,933	2,584,698
\$50,000 under \$100,000	1,435,531	93,607,933	18,592,619	1,571,474	221,945	297,920	190,286	66,129	1,396,821	1,207,421
\$100,000 under \$200,000	279,338	36,776,734	7,196,447	670,833	43,716	139,840	7,925	1,955	272,525	529,038
\$200,000 under \$500,000	65,373	18,533,076	3,760,064	356,548	10,679	46,725	775	205	64,098	309,617
\$500,000 under \$1,000,000	8,415	5,604,118	1,262,421	122,289	1,527	10,390	92	37	8,268	111,866
\$1,000,000 or more	3,136	7,099,198	1,648,755	134,611	591	9,764	20	23	3,086	124,827
<b>Total nontaxable returns.....</b>	<b>705,749</b>	<b>7,364,326</b>	<b>5,665,595</b>	<b>708,424</b>	<b>71,079</b>	<b>354,190</b>	<b>108,930</b>	<b>17,475</b>	<b>663,148</b>	<b>336,758</b>
<b>All returns, summary</b>										
Under \$5,000	228,625	741,745	755,735	168,815	19,390	12,214	19,683	2,448	218,753	174,151
\$5,000 under \$10,000	962,059	7,597,867	4,144,410	384,239	87,664	104,214	175,845	22,224	897,060	257,800
\$10,000 under \$15,000	2,068,127	26,402,610	9,713,414	924,523	240,131	263,704	671,528	99,675	1,925,527	561,144
\$15,000 under \$20,000	3,294,738	58,107,173	16,821,074	1,609,038	347,625	396,269	1,371,039	232,809	3,057,660	979,944
\$20,000 or more	15,737,664	583,513,230	125,102,437	10,833,638	1,893,423	2,022,701	6,323,073	1,459,459	15,064,653	7,351,471

\*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 total because of rounding

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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	Exemptions for age 65 or over			Exemptions for blindness			Total income (a) — Number of returns	Total income (a) — Amount
	(1) Number of returns	(2) Number of exemptions	(3) Number of exemptions for taxpayers	(4) Number of returns	(5) Number of exemptions	(6) Adjusted gross income less deficit		
<b>Total</b>	<b>92,694,302</b>	<b>224,691,732</b>	<b>137,635,249</b>	<b>8,651,655</b>	<b>11,322,713</b>	<b>130,793,580</b>	<b>171,330</b>	<b>22,109,644</b>
No adjusted gross income	542,104	1,495,344	882,751	66,857	87,627	-818,107	472	-13,221
\$1 under \$1,000	3,236,888	4,182,333	3,452,204	126,333	159,245	351,009	5,675	7,167
\$1,000 under \$5,000	4,528,124	5,887,507	4,836,400	226,149	278,289	381,000	6,027	7,813
\$5,000 under \$10,000	4,434,944	6,438,717	4,962,912	322,610	407,051	606,006	5,862	7,621
\$10,000 under \$20,000	4,117,916	6,547,508	4,704,284	448,530	564,788	1,026,322	3,920	5,145
\$20,000 under \$50,000	3,933,591	6,949,726	4,620,606	640,099	765,434	2,451,922	7,063	9,320
\$50,000 under \$100,000	4,090,766	7,822,947	4,762,829	677,056	843,192	3,718,499	9,602	12,621
\$100,000 under \$150,000	4,299,728	8,386,413	5,378,992	640,352	815,570	4,162,041	10,939	14,448
\$150,000 under \$200,000	4,015,837	8,287,832	5,159,308	630,871	818,790	4,719,455	11,211	15,089
\$200,000 under \$250,000	3,730,217	7,907,158	4,935,139	488,470	676,492	4,148,521	9,859	13,245
\$250,000 under \$300,000	3,528,310	7,538,065	4,733,363	425,525	558,865	4,030,040	9,192	12,525
\$300,000 under \$350,000	3,203,763	7,176,760	4,383,961	390,333	516,476	4,097,927	9,637	13,040
\$350,000 under \$400,000	3,007,148	6,946,597	4,293,792	344,848	442,767	3,750,693	8,470	11,510
\$400,000 under \$450,000	2,926,774	7,090,248	4,257,080	315,876	416,077	3,998,653	8,319	11,211
\$450,000 under \$500,000	2,729,613	6,796,877	4,080,139	245,748	342,207	3,323,743	4,846	6,505
\$500,000 under \$1,000,000	2,571,824	6,617,595	3,958,543	230,794	308,650	3,346,087	2,371	3,237
\$1,000,000 under \$150,000	2,427,136	6,322,713	3,813,614	181,560	242,075	2,817,220	3,222	4,083
\$150,000 under \$200,000	2,341,221	6,412,939	3,776,331	184,254	253,933	3,032,713	4,533	5,926
\$200,000 under \$250,000	2,241,074	6,345,507	3,717,355	179,013	241,661	3,134,974	7,325	9,520
\$250,000 under \$300,000	2,245,881	6,586,259	3,818,431	146,032	199,253	2,707,019	1,208	1,622
\$300,000 under \$350,000	2,129,839	6,234,866	3,658,762	130,703	180,411	2,545,548	5,263	7,027
\$350,000 under \$400,000	9,021,414	28,393,780	16,271,988	506,877	678,637	11,305,531	20,146	26,846
\$400,000 under \$450,000	6,309,121	20,762,059	13,862,791	314,023	413,402	8,612,656	7,455	9,801
\$450,000 under \$500,000	6,446,203	21,815,441	12,392,256	326,564	443,321	9,100,411	8,928	11,801
\$500,000 under \$550,000	2,229,252	7,635,408	4,303,403	156,749	224,950	1,567,739	929	1,246
\$550,000 under \$75,000	1,466,496	5,090,183	2,803,657	158,663	226,816	9,504,059	3,017	4,026
\$75,000 under \$100,000	423,380	1,527,086	810,589	60,815	89,350	5,226,625	662	897
\$100,000 under \$200,000	357,872	1,307,505	681,956	61,676	91,375	8,260,259	921	12,827
\$200,000 under \$500,000	80,226	281,767	151,557	19,883	29,601	5,755,189	265	344
\$500,000 under \$1,000,000	9,904	33,517	18,215	3,122	4,559	2,086,120	41	56
\$1,000,000 or more	3,601	11,873	6,541	1,239	1,817	3,282,976	14	19
All returns, summary								
Under \$5,000	20,863,567	31,501,447	23,459,657	1,840,598	2,262,436	4,921,455	29,019	38,448
\$5,000 under \$10,000	19,664,858	39,742,405	25,174,631	2,862,274	3,712,909	20,778,579	47,802	62,448
\$10,000 under \$15,000	14,433,255	34,647,071	20,913,515	2,026,207	2,626,207	18,674,895	31,637	41,234
\$15,000 under \$20,000	11,385,151	31,942,184	18,784,493	821,562	1,117,333	14,237,474	21,551	28,007
\$20,000 or more	26,347,471	86,848,619	49,302,953	1,609,622	2,203,828	72,181,178	43,068	56,828

Footnote(s) at end of table

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Table with multiple columns: Size of adjusted-gross income, Total, Exemptions for dependents, Exemptions for children at home, Exemptions for children away from home, Total income tax. Sub-headers include: Number of returns, Number of exemptions, Adjusted-gross income less deficit, Amount, Number of returns, Amount, Number of exemptions, Adjusted-gross income less deficit, Amount, Number of returns, Amount. Rows include 'Total' and various income brackets from \$1,000 to \$20,000 and above.

Footnotes) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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	Exemptions for dependents—Continued														
	Exemptions for parents at home						Exemptions for parents away from home								
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income less returns	Amount	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income less returns	Amount	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income less returns	Amount
<b>Total</b>	<b>991,124</b>	<b>1,050,736</b>	<b>20,402,277</b>	<b>856,447</b>	<b>2,922,983</b>	<b>395,207</b>	<b>480,878</b>	<b>10,649,344</b>	<b>350,238</b>	<b>1,978,909</b>	<b>1,114,803</b>	<b>1,485,488</b>	<b>19,995,899</b>	<b>917,737</b>	<b>2,589,218</b>
No adjusted gross income	3,535	3,918	-50,201	70	535	504	527	78,660	101	1,979	4,871	5,827	19,995,899	917,737	(4.3)
\$1 under \$1,000	6,055	6,055	13,298	—	—	—	—	—	—	—	10,830	12,700	—	—	39
\$1,000 under \$2,000	8,061	8,061	13,298	—	—	16,580	12,632	10,609	—	—	3,313	5,463	—	—	—
\$2,000 under \$3,000	8,318	8,318	20,439	—	—	2,146	2,146	6,214	—	—	17,746	19,730	46,317	—	—
\$3,000 under \$4,000	16,124	16,124	58,794	—	—	9,510	13,167	31,974	—	—	18,425	18,434	66,669	54	16
\$4,000 under \$5,000	18,061	18,061	40,402	8,681	382	13,277	15,257	15,508	—	—	33,201	43,727	147,224	3,526	53
\$5,000 under \$6,000	17,564	17,564	206,907	16,659	8,002	16,325	8,002	36,535	5,977	456	36,520	42,717	202,401	15,911	2,220
\$6,000 under \$7,000	40,823	42,740	267,500	23,698	6,454	22,111	30,803	341,413	14,194	2,223	44,976	66,713	292,255	20,518	4,698
\$7,000 under \$8,000	41,113	44,770	109,322	21,476	7,819	11,998	13,800	89,769	5,518	3,025	69,543	91,545	521,501	40,874	11,818
\$8,000 under \$9,000	45,394	51,076	393,669	27,707	13,564	13,331	15,336	112,609	9,639	4,702	73,197	46,931	41,196	17,431	4,131
\$9,000 under \$10,000	33,332	36,326	348,025	31,489	22,598	13,652	16,528	142,748	13,651	7,989	42,651	56,589	624,346	53,606	28,123
\$10,000 under \$11,000	36,961	41,530	426,300	46,440	33,202	17,273	21,486	202,057	14,223	10,712	57,509	87,224	662,883	52,922	19,646
\$11,000 under \$12,000	27,796	29,131	346,575	27,796	28,964	19,888	25,040	251,375	14,419	22,226	44,927	64,639	540,721	44,105	36,379
\$12,000 under \$13,000	33,750	33,750	455,761	31,750	40,607	13,289	16,138	179,183	12,815	13,781	35,028	49,595	474,455	34,684	36,749
\$13,000 under \$14,000	46,912	48,339	684,611	45,809	66,267	8,955	10,382	127,696	8,927	12,288	31,397	39,875	458,226	31,324	35,045
\$14,000 under \$15,000	35,158	36,729	545,718	35,158	54,602	18,690	27,999	291,310	17,122	21,437	40,466	51,122	628,953	40,066	57,144
\$15,000 under \$16,000	24,069	25,281	395,913	24,069	40,964	12,875	18,483	213,127	12,875	17,137	51,548	73,307	851,896	51,514	74,351
\$16,000 under \$17,000	24,453	25,764	428,498	24,421	48,188	17,047	21,855	299,366	16,696	24,070	30,842	38,312	540,454	29,935	52,083
\$17,000 under \$18,000	36,655	40,454	679,960	36,054	75,481	12,635	15,253	233,103	12,473	14,463	37,164	50,851	684,891	37,162	64,504
\$18,000 under \$19,000	25,907	28,432	507,909	25,592	48,733	4,540	4,540	87,242	4,540	8,480	29,272	52,293	571,946	29,272	60,143
\$19,000 under \$20,000	114,008	118,220	2,568,622	113,356	311,314	39,191	49,995	888,989	36,180	103,610	140,520	180,097	3,132,267	139,907	363,541
\$20,000 under \$25,000	102,846	104,246	2,620,644	103,204	369,630	31,396	35,323	838,608	31,099	103,421	95,743	93,652	2,323,275	95,664	391,553
\$25,000 under \$30,000	136,835	142,826	3,658,572	136,835	518,557	41,296	48,178	1,079,869	41,529	176,659	166,529	102,980	2,624,364	176,158	346,062
\$30,000 under \$40,000	36,846	37,646	1,074,522	36,388	297,917	21,576	23,333	493,499	21,205	262,976	24,652	31,111	1,097,868	24,623	29,115
\$40,000 under \$50,000	21,856	23,431	1,274,158	21,856	277,673	20,352	22,944	1,228,588	20,267	263,971	15,355	19,447	923,274	15,150	14,539
\$50,000 under \$100,000	7,249	7,568	617,408	7,249	167,900	7,653	8,620	666,271	7,575	167,502	4,483	5,804	394,594	4,484	109,709
\$100,000 under \$200,000	5,133	5,694	667,494	5,133	216,454	8,730	9,895	1,152,351	8,729	364,176	4,668	6,470	617,526	4,668	192,401
\$200,000 under \$500,000	920	1,017	257,737	919	102,945	2,122	2,403	618,209	2,120	241,464	1,199	1,699	344,159	1,198	141,340
\$500,000 under \$1,000,000	105	119	69,947	105	30,739	281	317	193,244	281	81,805	188	247	126,114	188	54,758
\$1,000,000 or more	34	37	56,914	34	27,530	102	122	212,746	102	100,390	67	97	187,219	67	92,296
All returns, summary	60,154	60,537	1,268,870	60,154	1,916,416	22,017	33,729	14,356	101	1,979	86,966	103,731	2,272,284	86,966	446,464
Under \$5,000	199,795	216,481	1,498,873	192,423	51,807	61,657	75,933	456,157	45,320	14,399	271,922	379,854	2,109,717	172,111	61,561
\$5,000 under \$10,000	178,111	189,076	2,260,862	175,244	191,638	73,057	89,574	903,049	69,035	66,997	211,512	297,885	2,599,961	201,242	164,448
\$10,000 under \$15,000	146,242	156,660	2,558,589	145,244	267,968	65,787	88,130	1,124,178	63,706	90,587	189,294	265,485	3,278,115	187,649	308,325
\$15,000 under \$20,000	406,222	427,582	13,958,085	404,735	2,410,654	172,689	193,512	8,190,315	172,076	1,804,956	353,689	444,152	11,780,738	352,325	2,051,931

Footnotes at end of table

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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 classified by number of exemptions other than age or blindness											Total income (tax)				
	Total															
	Number of returns (44)	Number of exemptions (45)	Adjusted gross income less mortgage interest (46)	Salaries and wages (47)		Total net profit less loss from business activities (48)		Sales of property net gain less loss (49)		All other income less loss (50)			Amount (51)	Number of returns (52)	Amount (53)	Number of returns (54)
<b>Total</b>	<b>92,694,302</b>	<b>213,195,923</b>	<b>1,465,394,530</b>	<b>83,200,646</b>	<b>1,229,251,389</b>	<b>13,263,632</b>	<b>73,398,182</b>	<b>9,126,659</b>	<b>29,409,396</b>	<b>54,811,218</b>	<b>133,364,564</b>	<b>71,694,983</b>	<b>214,494,519</b>			
No adjusted gross income	542,104	1,407,245	-9,866,856	216,056	1,948,294	471,872	-8,620,141	185,977	1,136,868	365,038	-33,481	7,971	70,473			
\$1 under \$1,000	3,246,688	4,017,125	1,966,668	2,966,668	1,967,924	178,875	-106,706	42,473	51,925	631,162	-33,481	1,936	6,261			
\$1,000 under \$2,000	4,528,124	5,603,784	6,785,836	4,132,333	6,280,182	239,840	18,458	83,645	44,322	1,377,276	483,806	98,473	7,600			
\$2,000 under \$3,000	4,494,944	6,025,786	11,735,836	4,048,936	10,008,202	516,907	62,620	142,051	133,494	1,552,346	937,775	122,886	15,240			
\$3,000 under \$4,000	4,117,816	3,919,700	11,416,690	3,591,317	12,302,860	353,122	321,205	158,188	93,847	1,946,898	1,680,788	194,686	101,466			
\$4,000 under \$5,000	3,953,591	6,177,233	17,659,606	3,282,083	14,223,434	371,404	557,879	179,613	96,240	1,637,868	2,782,054	2,530,734	401,385			
\$5,000 under \$6,000	4,090,766	6,770,153	22,539,843	3,420,134	18,288,507	376,428	647,508	188,101	166,013	1,696,875	3,437,815	2,743,552	608,901			
\$6,000 under \$7,000	4,299,726	7,559,904	27,911,459	3,676,125	23,191,648	364,808	760,400	207,165	203,775	1,799,178	3,755,636	3,031,599	1,369,890			
\$7,000 under \$8,000	4,015,837	7,457,821	30,985,916	3,440,245	24,681,973	365,173	890,950	207,240	251,549	1,800,168	4,373,443	3,069,675	1,634,995			
\$8,000 under \$9,000	3,730,217	7,223,807	31,691,995	3,214,899	26,297,169	397,265	1,144,195	256,510	281,612	1,696,782	3,989,030	3,259,015	2,041,427			
\$9,000 under \$10,000	3,628,310	6,970,008	33,483,359	3,107,714	28,417,146	390,173	866,279	215,822	256,572	1,753,156	3,943,362	3,323,840	2,351,584			
\$10,000 under \$11,000	3,203,763	6,650,647	33,927,379	2,822,388	28,425,466	375,473	1,016,808	216,688	297,061	1,662,136	3,888,042	3,074,408	2,834,816			
\$11,000 under \$12,000	3,007,481	6,515,360	34,561,448	2,684,443	29,748,776	356,542	1,081,832	221,065	200,733	1,595,453	3,530,106	2,918,681	3,108,122			
\$12,000 under \$13,000	2,926,774	6,667,856	36,548,726	2,618,454	31,209,195	362,636	1,042,364	252,625	338,678	1,680,384	3,958,489	2,865,682	3,458,708			
\$13,000 under \$14,000	2,729,613	6,448,794	36,778,145	2,466,526	32,060,575	336,690	1,184,185	180,704	192,060	1,661,964	3,361,325	2,671,892	3,679,484			
\$14,000 under \$15,000	2,571,824	6,306,574	37,293,560	2,364,580	32,784,276	362,388	1,460,022	224,437	279,321	1,575,860	2,769,941	2,533,031	3,876,805			
\$15,000 under \$16,000	2,427,136	6,077,416	37,622,288	2,234,661	33,165,423	349,764	1,327,367	204,095	245,072	1,570,183	2,884,427	2,390,216	4,041,688			
\$16,000 under \$17,000	2,341,221	6,154,373	38,607,249	2,174,062	34,435,967	359,315	1,306,312	204,095	373,725	1,546,272	2,491,245	2,310,994	4,314,685			
\$17,000 under \$18,000	2,241,074	6,136,521	39,209,581	2,054,866	34,452,402	344,986	1,334,527	226,056	386,266	1,526,272	3,024,429	2,211,138	4,480,373			
\$18,000 under \$19,000	2,245,881	6,885,798	41,558,206	2,095,802	36,979,502	340,380	1,475,098	209,576	209,638	1,598,552	2,894,967	2,223,147	4,831,154			
\$19,000 under \$20,000	2,129,839	6,049,192	41,512,615	2,011,070	37,458,344	323,942	1,341,519	196,154	274,937	1,551,027	2,437,815	2,111,276	4,993,666			
\$20,000 under \$25,000	9,021,414	27,694,997	201,687,813	8,533,387	181,690,141	1,507,908	6,943,468	971,049	1,517,057	7,093,818	11,537,148	8,963,570	25,734,866			
\$25,000 under \$30,000	6,309,121	20,341,202	172,374,956	5,977,965	154,233,885	1,120,468	6,467,665	879,918	1,506,634	5,454,530	10,166,772	6,276,188	24,377,331			
\$30,000 under \$40,000	6,446,203	21,362,484	219,926,838	6,066,697	192,556,959	1,360,691	10,962,997	1,299,117	2,512,890	5,956,603	13,831,992	6,421,836	35,486,220			
\$40,000 under \$50,000	2,229,252	7,409,529	98,307,745	2,031,503	79,394,632	683,452	8,244,507	678,634	2,052,017	2,144,060	8,436,590	2,224,204	18,593,072			
\$50,000 under \$75,000	1,466,498	4,860,350	86,844,336	1,247,789	59,923,318	674,043	13,360,863	704,877	2,982,139	1,445,928	10,578,016	1,459,267	19,753,175			
\$75,000 under \$100,000	423,380	1,437,074	36,318,472	344,710	22,421,013	260,980	6,618,176	258,691	1,788,920	418,928	5,490,362	422,002	10,057,784			
\$100,000 under \$200,000	357,872	1,215,209	47,050,833	290,638	27,198,840	249,171	7,388,130	249,345	3,316,669	365,647	9,146,223	367,210	15,655,674			
\$200,000 under \$500,000	80,226	251,901	22,670,389	64,132	10,368,450	62,223	2,844,040	66,436	3,011,332	80,027	6,446,863	80,165	9,219,010			
\$500,000 under \$1,000,000	9,904	28,917	6,571,180	7,720	2,001,034	8,177	658,646	8,978	1,610,213	9,898	2,301,287	9,897	2,972,594			
\$1,000,000 or more	3,601	10,042	8,116,126	2,793	1,143,156	3,022	634,936	3,994	3,657,860	3,597	2,680,154	3,599	4,073,808			
All returns, summary																
Under \$5,000	20,863,567	29,209,992	42,493,093	18,227,303	46,720,915	1,932,020	-7,783,602	791,947	1,556,694	7,147,794	1,989,085	4,718,898	602,424			
\$5,000 under \$10,000	19,664,858	35,981,693	145,712,572	16,859,117	120,876,443	1,894,061	4,299,320	1,074,836	1,027,521	8,746,160	19,509,286	15,447,681	8,349,739			
\$10,000 under \$15,000	14,433,255	32,589,233	178,809,257	12,976,391	154,228,290	1,793,729	5,785,210	1,097,519	1,373,853	8,175,797	17,507,903	14,063,694	16,957,734			
\$15,000 under \$20,000	11,385,151	30,803,300	198,510,919	10,570,481	176,491,637	1,718,387	6,784,824	1,041,376	1,501,576	7,779,307	13,732,883	11,246,772	22,661,266			
\$20,000 or more	26,347,471	84,611,705	899,868,690	24,567,354	730,934,103	5,925,435	64,303,428	5,120,379	24,015,751	22,982,160	80,615,407	26,217,968	165,923,355			

Footnotes at end of table



**Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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 classified by number of exemptions other than age or blindness—Continued										
	Number of returns (57)	Adjusted gross income less deficit (58)	Salaries and wages (60)	Total net profit less loss from business activities (61)	Sales of property net gain less loss (63)	All other income less loss (65)	Total income (a) (67)	Amount (68)			
<b>Total</b>	<b>38,993,594</b>	<b>318,438,830</b>	<b>261,986,826</b>	<b>2,320,959</b>	<b>2,215,768</b>	<b>4,887,559</b>	<b>18,110,257</b>	<b>44,991,712</b>	<b>26,956,861</b>	<b>42,606,983</b>	
No adjusted gross income	177,130	-1,398,049	230,248	141,203	41,186	104,763	104,186	-525,449	818	6,773	
\$1 under \$1,000	2,841,371	1,631,990	1,587,090	86,948	20,914	4,733	503,538	51,130	-7	*142	
\$1,000 under \$2,000	3,929,532	5,882,743	5,371,153	132,489	58,119	6,700	1,187,953	445,849	97,626	5,739	
\$2,000 under \$3,000	3,200,443	9,059,962	8,193,017	164,116	127,533	58,383	1,289,599	681,030	122,443	14,812	
\$3,000 under \$4,000	3,095,710	10,796,257	9,320,824	181,400	106,752	43,127	1,187,897	1,187,897	1,950,833	100,679	
\$4,000 under \$5,000	2,689,873	12,062,966	9,827,008	151,929	106,579	39,483	1,146,901	1,964,823	2,464,433	395,054	
\$5,000 under \$6,000	1,437,148	14,437,148	11,897,589	101,438	102,828	63,032	1,104,125	2,233,748	2,507,628	783,060	
\$6,000 under \$7,000	562,060	16,746,021	14,339,390	117,117	255,873	46,743	1,060,595	2,104,015	2,523,145	1,216,546	
\$7,000 under \$8,000	234,070	16,782,161	14,248,574	96,520	94,879	59,284	1,042,043	2,266,778	1,443,499	1,443,499	
\$8,000 under \$9,000	1,655,135	16,682,180	14,466,583	99,432	93,372	57,611	874,090	1,945,843	1,637,161	1,637,161	
\$9,000 under \$10,000	1,811,151	17,176,875	15,102,707	100,432	90,176	64,214	899,036	1,732,470	1,801,335	1,864,311	
\$10,000 under \$11,000	1,568,830	16,476,557	14,279,646	100,414	94,074	108,963	839,883	1,831,350	1,556,925	1,923,360	
\$11,000 under \$12,000	1,332,557	15,297,002	13,344,002	68,382	71,497	71,685	736,576	1,679,006	1,322,409	1,898,212	
\$12,000 under \$13,000	1,234,614	15,407,509	13,304,996	56,509	79,343	93,940	723,662	1,864,517	1,231,880	2,022,986	
\$13,000 under \$14,000	1,034,865	13,957,995	12,195,920	50,514	63,894	77,328	669,250	1,469,396	1,026,267	1,959,809	
\$14,000 under \$15,000	869,383	12,601,651	11,304,467	50,471	74,792	74,792	564,942	1,055,048	865,925	1,837,649	
\$15,000 under \$16,000	789,598	12,232,657	10,778,300	53,268	66,247	84,665	518,337	1,237,956	788,450	1,841,121	
\$16,000 under \$17,000	674,031	11,109,379	10,022,337	48,873	54,469	59,544	468,149	867,759	672,917	1,750,335	
\$17,000 under \$18,000	566,829	9,908,142	8,490,828	36,456	58,605	167,015	410,256	1,060,680	564,695	1,612,753	
\$18,000 under \$19,000	481,958	8,910,970	7,691,575	32,825	55,055	37,980	362,206	941,314	480,579	1,478,889	
\$19,000 under \$20,000	436,145	8,469,320	7,432,329	37,430	59,185	35,087	328,898	862,291	435,351	1,444,031	
\$20,000 under \$25,000	1,239,510	27,434,604	22,956,291	151,810	198,945	341,485	1,036,771	3,371,561	1,235,916	5,018,781	
\$25,000 under \$30,000	528,460	14,356,080	10,854,169	80,875	147,937	274,827	483,953	2,601,399	524,517	2,862,945	
\$30,000 under \$40,000	361,422	12,253,758	7,866,627	76,550	139,677	395,539	341,075	3,225,500	359,327	2,707,037	
\$40,000 under \$50,000	109,508	4,800,589	3,732,568	34,732	49,159	314,160	105,859	1,605,228	109,122	1,175,669	
\$50,000 under \$75,000	94,647	5,577,291	2,286,814	36,215	57,594	400,653	93,527	2,212,645	159,298	1,593,298	
\$75,000 under \$100,000	25,528	2,200,412	663,477	12,663	18,900	199,498	25,269	1,081,407	25,451	758,507	
\$100,000 under \$200,000	25,059	3,278,012	919,093	3,909	17,790	378,256	24,829	1,609,669	24,975	1,243,005	
\$200,000 under \$500,000	6,803	1,975,656	414,305	3,909	5,669	372,428	6,782	1,030,548	6,795	879,467	
\$500,000 under \$1,000,000	1,222	818,842	102,686	777	1,077	179,866	1,221	464,207	1,221	377,529	
\$1,000,000 or more	520	1,476,908	81,214	345	472	679,145	520	662,599	520	763,783	
All returns, summary											
Under \$5,000	16,391,059	38,035,669	34,529,339	860,085	426,817	249,819	5,388,203	3,805,280	4,636,160	5,231,999	
\$5,000 under \$10,000	11,221,106	81,834,421	70,054,844	514,949	428,584	230,683	4,979,889	10,155,352	10,993,477	6,944,677	
\$10,000 under \$15,000	6,040,249	73,740,913	64,429,031	326,290	384,600	230,963	3,529,913	7,890,317	6,003,406	9,612,037	
\$15,000 under \$20,000	2,948,501	50,643,470	44,415,363	208,652	293,561	162,290	2,087,945	4,970,000	2,941,992	8,127,130	
\$20,000 or more	2,392,679	74,178,158	48,588,243	410,763	637,208	353,558	2,119,806	17,864,769	2,381,826	17,400,041	

Footnotes (a) at end of table

**Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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 classified by number of exemptions other than age or blindness—Continued													
	Number of returns		Adjusted gross income less deficit		Salaries and wages		Total net profit less loss from business activities <sup>1</sup>		Sales of property net gain less loss <sup>2</sup>		All other income less loss <sup>3</sup>		Total income tax	
	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)
<b>Total</b>	<b>21,551,375</b>	<b>414,825,896</b>	<b>18,022,898</b>	<b>310,961,591</b>	<b>4,096,178</b>	<b>22,621,339</b>	<b>3,245,621</b>	<b>12,143,328</b>	<b>15,632,730</b>	<b>69,099,641</b>	<b>17,648,147</b>	<b>67,825,402</b>		
No adjusted gross income	139,947	-2,524,952	54,078	475,905	115,191	-2,395,251	48,710	379,903	103,699	-985,519	17,648,147	24,478		
\$1 under \$1,000	232,813	136,772	157,869	178,148	51,954	-51,305	12,568	23,449	92,353	-13,520	1,677	5,366		
\$1,000 under \$2,000	338,153	517,843	249,904	430,935	59,762	-39,910	15,681	36,445	133,450	90,373	13	120		
\$2,000 under \$3,000	479,641	1,185,020	369,248	620,709	86,485	-12,239	21,269	24,986	214,260	255,564	171	142		
\$3,000 under \$4,000	565,686	2,009,430	437,800	1,458,748	81,578	101,906	30,479	5,050	443,728	443,728	5,446	429		
\$4,000 under \$5,000	637,200	2,889,465	561,165	2,273,628	119,552	227,345	49,920	11,835	776,657	776,657	56,959	4,297		
\$5,000 under \$6,000	837,200	4,609,642	639,728	3,243,416	143,090	176,688	59,763	65,924	1,123,615	1,123,615	197,797	22,151		
\$6,000 under \$7,000	912,202	5,938,190	683,138	4,068,526	120,169	195,450	78,915	108,306	1,565,908	1,565,908	441,886	80,946		
\$7,000 under \$8,000	902,428	6,781,511	661,157	4,397,778	120,417	309,263	82,269	147,068	2,007,382	2,007,382	742,602	166,077		
\$8,000 under \$9,000	896,146	7,618,143	660,225	5,077,995	133,711	310,410	102,976	170,258	2,119,479	2,119,479	846,247	320,389		
\$9,000 under \$10,000	822,016	7,803,835	631,354	5,509,031	134,610	167,821	89,272	126,455	2,000,527	2,000,527	789,719	441,049		
\$10,000 under \$11,000	748,584	7,834,416	603,290	5,626,945	100,997	214,517	75,240	111,390	1,881,564	1,881,564	718,253	525,637		
\$11,000 under \$12,000	684,498	8,843,354	630,182	6,560,941	126,064	419,979	100,173	73,136	1,785,296	1,785,296	752,701	65,971		
\$12,000 under \$13,000	699,108	8,726,398	565,433	6,418,787	117,893	282,585	101,538	134,512	1,650,514	1,650,514	686,734	97,901		
\$13,000 under \$14,000	708,595	9,555,908	600,733	7,354,725	113,904	372,964	88,595	80,124	500,209	500,209	694,426	87,546		
\$14,000 under \$15,000	709,231	10,290,665	611,829	8,095,123	118,528	490,748	88,650	122,567	496,944	496,944	704,302	1,027,351		
\$15,000 under \$16,000	661,080	10,239,985	574,816	8,153,080	108,098	430,448	67,539	90,659	506,356	506,356	649,466	1,053,181		
\$16,000 under \$17,000	644,280	10,628,463	558,615	8,462,381	116,668	442,450	89,254	184,197	474,719	474,719	639,761	1,180,995		
\$17,000 under \$18,000	631,516	11,045,129	551,980	8,695,974	107,509	480,369	89,262	132,644	486,764	486,764	626,480	1,286,304		
\$18,000 under \$19,000	631,523	11,686,230	565,324	9,718,424	97,893	341,179	66,852	65,579	493,697	493,697	626,265	1,420,547		
\$19,000 under \$20,000	601,566	11,735,135	548,221	9,810,923	95,863	406,491	62,420	149,627	476,231	476,231	598,351	1,472,564		
\$20,000 under \$25,000	2,609,314	58,413,242	2,376,335	49,030,998	459,051	2,106,634	361,676	630,017	2,181,396	2,181,396	2,595,600	7,980,714		
\$25,000 under \$30,000	1,887,197	51,615,055	1,736,599	43,402,905	336,714	2,003,944	320,572	705,912	1,729,252	1,729,252	1,884,062	6,007,776		
\$30,000 under \$40,000	1,936,906	66,174,759	1,773,531	54,573,976	411,945	3,442,151	437,251	94,725	1,630,356	1,630,356	1,932,182	11,757,888		
\$40,000 under \$50,000	706,627	31,210,888	621,862	23,200,563	215,008	1,431,812	260,261	869,932	698,214	698,214	705,558	6,450,612		
\$50,000 under \$75,000	469,583	27,736,402	381,896	16,861,320	211,060	3,777,637	253,901	1,220,968	466,618	466,618	5,656,478	6,789,466		
\$75,000 under \$100,000	131,378	11,282,773	100,390	5,651,651	90,799	1,946,714	90,709	685,570	130,835	130,835	2,968,839	3,302,670		
\$100,000 under \$200,000	114,110	15,137,494	87,778	6,930,685	78,183	2,294,523	87,744	1,358,747	113,732	113,732	4,553,539	5,307,194		
\$200,000 under \$500,000	31,154	6,919,793	23,821	3,258,065	23,708	1,141,271	26,740	1,267,348	31,125	31,125	3,253,109	3,737,167		
\$500,000 under \$1,000,000	4,202	2,794,734	3,291	714,617	3,451	280,741	3,895	688,565	4,201	4,201	1,110,811	1,291,000		
\$1,000,000 or more	1,600	3,630,165	1,286	378,686	1,344	323,420	1,527	1,687,403	1,598	1,598	1,240,656	1,856,223		
<b>All returns, summary</b>														
Under \$5,000	2,489,331	4,623,578	1,830,064	5,744,074	514,522	-2,169,445	178,627	481,667	1,199,643	567,281	66,758	34,477		
\$5,000 under \$10,000	4,369,992	32,731,321	3,275,602	22,296,247	657,992	11,559,632	413,195	458,031	2,541,194	8,816,911	3,018,251	10,306,612		
\$10,000 under \$15,000	3,650,016	45,250,741	3,058,520	34,058,520	527,386	1,780,792	434,196	521,729	2,473,196	8,891,699	3,555,775	3,846,011		
\$15,000 under \$20,000	3,169,985	55,538,942	2,798,956	44,840,781	528,031	2,100,938	375,327	622,707	2,439,767	7,770,518	3,140,323	6,413,592		
\$20,000 or more	7,892,071	276,685,318	7,106,809	204,023,468	1,820,242	19,749,423	1,844,276	10,059,193	17,178,930	43,053,231	7,867,240	56,500,710		

Footnotes at end of table

**Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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	Three												
	Number of returns (81)	Adjusted gross income less deficit (82)		Salaries and wages (83)		Total net profit less loss from business activities (85)		Sales of property net gain less loss (87)		All other income less loss (90)		Total income la* (92)	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Total</b>	<b>12,005,677</b>	<b>248,169,314</b>	<b>11,344,088</b>	<b>219,707,539</b>	<b>13,332,336</b>	<b>4,207,695</b>	<b>1,233,497</b>	<b>4,207,695</b>	<b>7,530,266</b>	<b>10,921,744</b>	<b>9,984,455</b>	<b>36,580,912</b>	
No adjusted gross income	78,289	-1,546,053	38,784	396,961	74,282	174,998	30,609	30,609	51,120	-582,506	1,677	13,066	
\$1 under \$1,000	76,090	41,178	64,974	69,960	17,992	59,966	2,509	2,509	15,947	-9,043	*183	*142	
\$1,000 under \$2,000	144,892	219,211	121,507	223,985	19,161	120,206	1,566	1,566	35,032	9,946	*210	*336	
\$2,000 under \$3,000	163,403	405,609	143,413	375,466	32,376	142,237	8,645	8,645	32,033	32,033	—	—	
\$3,000 under \$4,000	232,466	818,530	208,485	771,683	35,159	-4,622	11,569	10,051	66,925	41,418	*355	*20	
\$4,000 under \$5,000	235,387	1,062,822	204,131	954,754	35,974	55,974	8,355	7,165	53,555	44,928	*618	*222	
\$5,000 under \$6,000	308,302	1,707,171	280,039	1,565,913	50,992	80,440	7,686	7,231	86,057	53,587	3,617	3,617	
\$6,000 under \$7,000	411,979	2,665,317	373,231	2,392,795	52,161	137,171	13,960	12,246	122,602	123,065	37,653	8,639	
\$7,000 under \$8,000	416,087	3,120,940	390,582	2,876,950	66,761	146,558	11,771	12,805	122,516	84,627	116,188	22,695	
\$8,000 under \$9,000	382,336	3,248,221	357,157	2,996,135	54,595	122,277	23,545	10,688	134,952	119,121	324,813	71,987	
\$9,000 under \$10,000	409,917	3,894,287	382,165	3,563,370	59,133	161,735	12,071	34,085	146,645	135,096	388,592	169,022	
\$10,000 under \$11,000	384,828	4,043,706	361,650	3,693,455	64,383	188,537	14,881	14,916	150,356	146,798	371,350	233,975	
\$11,000 under \$12,000	401,308	4,604,561	378,782	4,251,322	66,168	232,306	23,621	23,334	162,479	118,600	388,138	307,474	
\$12,000 under \$13,000	398,747	4,975,853	379,449	4,520,573	65,741	210,067	28,028	36,100	207,262	209,113	391,945	362,506	
\$13,000 under \$14,000	410,915	5,555,035	396,875	5,131,017	65,132	189,191	20,662	22,007	197,199	212,821	403,519	449,680	
\$14,000 under \$15,000	381,712	5,540,393	364,229	5,080,961	69,560	249,469	29,963	34,538	199,802	175,426	373,632	469,119	
\$15,000 under \$16,000	376,908	5,993,016	372,367	5,600,129	68,833	254,279	21,412	6,248	228,102	132,365	381,368	540,705	
\$16,000 under \$17,000	376,168	6,202,664	360,501	5,736,245	64,162	253,843	17,378	52,961	246,948	159,615	371,261	596,783	
\$17,000 under \$18,000	399,433	6,990,481	384,589	6,510,292	71,275	248,633	28,361	52,872	243,015	178,685	394,302	715,061	
\$18,000 under \$19,000	414,465	7,667,439	396,979	7,130,075	69,304	308,680	34,167	36,285	264,994	192,398	409,055	816,684	
\$19,000 under \$20,000	393,932	7,678,136	380,154	7,168,333	62,424	293,065	23,807	30,935	267,183	185,804	389,389	858,721	
\$20,000 under \$25,000	1,768,949	39,550,881	1,721,109	37,028,619	293,273	1,307,155	146,533	213,531	1,364,430	1,001,577	1,759,869	4,897,468	
\$25,000 under \$30,000	1,256,151	34,356,678	1,224,665	31,842,967	235,047	1,371,766	147,421	226,850	1,070,777	917,056	1,250,682	4,828,009	
\$30,000 under \$40,000	1,327,257	45,250,200	1,284,147	40,956,232	275,266	2,161,310	230,822	384,852	1,234,944	1,712,934	1,323,702	7,345,968	
\$40,000 under \$50,000	435,710	19,172,449	410,526	16,272,046	123,586	574,145	124,619	284,852	422,879	1,040,835	436,402	3,694,407	
\$50,000 under \$75,000	266,579	15,658,631	237,668	11,553,334	120,900	2,476,991	118,925	481,386	262,467	1,166,920	266,143	3,557,631	
\$75,000 under \$100,000	70,967	6,092,750	61,182	4,025,281	43,562	1,084,391	40,706	270,480	70,158	712,598	70,402	1,715,814	
\$100,000 under \$200,000	57,712	7,560,303	49,847	4,678,507	39,371	1,163,698	40,340	489,021	57,213	1,229,076	57,469	2,508,327	
\$200,000 under \$500,000	13,042	3,652,399	11,242	1,898,317	10,265	449,227	10,750	468,679	13,000	836,176	13,033	1,476,886	
\$500,000 under \$1,000,000	1,424	937,360	1,211	355,776	1,229	96,672	1,272	223,843	1,422	261,068	1,422	420,025	
\$1,000,000 or more	516	1,049,146	428	196,067	461	94,154	488	479,401	515	279,524	516	505,937	
All returns, summary													
Under \$5,000	930,327	1,001,296	781,294	2,782,814	216,475	1,543,994	63,253	225,633	262,311	-463,183	9,243	13,786	
\$5,000 under \$10,000	1,928,651	14,635,936	1,783,174	13,395,169	283,642	6,481,181	69,033	77,095	612,772	515,496	922,211	275,960	
\$10,000 under \$15,000	1,970,916	24,719,549	1,882,985	22,877,328	330,984	1,069,569	117,155	109,895	917,088	862,757	1,928,584	1,822,754	
\$15,000 under \$20,000	1,970,916	34,531,746	1,894,590	32,145,067	335,998	1,368,500	125,125	179,901	1,250,242	848,868	1,945,375	3,527,953	
\$20,000 or more	5,198,303	173,280,796	5,002,045	148,707,166	1,144,970	11,800,078	858,931	3,615,746	4,487,845	9,157,806	5,179,042	30,940,459	

Footnotes at end of table

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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 classified by number of exemptions other than age or blindness—Continued											
	Four											
	Number of returns (93)	Adjusted gross income less deficit (94)	Salaries and wages (95)	Amount (96)	Total net profit less loss from business activities (97)	Amount (98)	Sales of property net gain less loss (100)	Amount (100)	All other income less loss (101)	Amount (102)	Total income tax (104)	Amount (104)
<b>Total</b>	<b>11,233,262</b>	<b>267,820,350</b>	<b>10,711,1295</b>	<b>242,408,959</b>	<b>2,532,592</b>	<b>16,242,083</b>	<b>1,386,697</b>	<b>4,155,416</b>	<b>7,721,864</b>	<b>5,013,892</b>	<b>9,726,179</b>	<b>38,207,856</b>
No adjusted gross income	70,561	-1,808,673	38,216	398,212	69,599	-1,643,924	27,439	186,417	44,015	-749,378	1,560	11,001
\$1 under \$1,000	47,739	29,685	37,841	90,660	12,865	-30,363	2,842	10,524	11,498	-42,155	*40	*212
\$1,000 under \$2,000	61,125	85,900	51,022	115,661	16,818	-17,920	4,795	11,032	11,195	-22,874	*615	*1,377
\$2,000 under \$3,000	110,673	273,616	98,466	311,225	17,085	-25,603	5,773	14,090	30,380	-26,095	—	—
\$3,000 under \$4,000	124,560	441,380	105,606	389,684	36,884	6,713	13,555	15,863	35,110	29,121	*191	*334
\$4,000 under \$5,000	151,464	684,697	137,009	636,608	33,461	22,481	13,555	17,738	35,848	13,870	*1,794	*81
\$5,000 under \$6,000	179,502	996,486	157,988	909,976	47,555	75,130	13,424	22,271	53,135	-10,981	—	—
\$6,000 under \$7,000	214,292	1,395,238	195,291	1,353,725	41,819	110,312	11,964	56,007	56,807	-39,954	8,789	621
\$7,000 under \$8,000	261,959	1,962,164	245,278	1,832,615	48,648	170,378	13,390	65,735	62,375	-11,973	11,973	2,088
\$8,000 under \$9,000	264,714	2,250,099	240,069	2,025,660	59,845	242,576	19,239	98,054	-47,778	126,543	16,803	16,803
\$9,000 under \$10,000	274,996	2,615,004	258,651	2,419,776	57,955	142,797	14,096	11,294	101,074	41,138	230,809	62,463
\$10,000 under \$11,000	269,422	2,819,675	250,856	2,573,811	55,637	172,389	17,930	42,391	107,016	31,090	250,990	109,787
\$11,000 under \$12,000	249,084	2,868,528	237,791	2,761,128	46,559	130,964	9,377	13,914	99,154	-37,478	234,681	139,347
\$12,000 under \$13,000	325,750	4,077,011	311,059	3,773,513	76,530	245,194	29,018	47,061	155,285	11,243	311,268	225,560
\$13,000 under \$14,000	289,713	3,912,095	279,880	3,512,215	53,873	159,992	15,793	19,320	159,281	-18,433	283,291	251,843
\$14,000 under \$15,000	344,831	4,988,503	330,440	4,640,563	66,817	303,354	28,538	28,538	186,870	16,249	337,405	344,617
\$15,000 under \$16,000	311,674	4,834,856	295,856	4,542,222	66,609	309,201	27,007	26,222	191,234	-42,808	302,407	356,586
\$16,000 under \$17,000	361,997	5,971,127	350,334	5,714,813	79,921	290,391	28,875	53,272	221,389	-87,348	352,193	485,489
\$17,000 under \$18,000	342,161	5,986,606	331,311	5,672,253	67,249	231,006	28,042	27,304	208,203	56,043	333,375	512,195
\$18,000 under \$19,000	404,739	7,494,789	393,122	7,034,560	78,927	301,654	33,143	51,256	278,257	107,318	400,931	701,243
\$19,000 under \$20,000	414,630	8,079,454	404,849	7,739,498	80,990	318,956	34,843	44,865	293,900	-23,864	409,161	771,760
\$20,000 under \$25,000	1,969,205	44,132,777	1,930,643	42,237,121	351,930	1,438,806	155,321	153,745	1,504,030	303,105	1,957,666	4,845,283
\$25,000 under \$30,000	1,522,197	41,635,781	1,490,678	39,341,845	264,665	1,491,145	155,855	116,633	1,279,657	666,158	1,513,382	5,272,747
\$30,000 under \$40,000	1,596,932	54,474,212	1,552,145	50,502,778	342,040	2,476,403	300,461	448,836	1,464,708	1,046,196	1,592,047	8,070,301
\$40,000 under \$50,000	548,437	24,205,964	521,030	21,116,782	170,459	2,085,964	140,333	328,836	516,965	674,381	546,553	4,232,901
\$50,000 under \$75,000	334,580	19,864,443	303,017	15,344,794	161,795	3,296,301	146,167	432,032	328,513	791,316	332,541	4,235,443
\$75,000 under \$100,000	97,148	8,304,284	85,533	5,964,377	62,224	1,607,826	55,271	360,210	95,877	371,870	96,857	2,149,226
\$100,000 under \$200,000	74,182	9,667,352	64,066	6,506,225	53,522	1,751,833	48,179	514,563	894,731	894,731	74,047	3,090,221
\$200,000 under \$500,000	13,228	3,663,049	11,683	2,936,144	10,916	484,579	10,816	450,134	13,186	632,191	13,214	1,427,921
\$500,000 under \$1,000,000	1,412	934,830	1,233	360,981	1,254	111,931	1,262	249,364	1,412	212,555	1,411	416,023
\$1,000,000 or more	455	980,428	396	250,696	415	81,363	429	406,878	454	241,491	455	474,381
All returns, summary												
Under \$5,000	566,122	-294,394	468,160	1,942,069	186,712	-1,668,616	59,017	249,664	168,046	-597,512	4,198	12,989
\$5,000 under \$10,000	1,195,463	9,219,000	1,097,213	8,541,772	253,548	641,453	71,843	90,377	374,698	-5,670	378,116	81,982
\$10,000 under \$15,000	1,478,800	18,665,812	1,410,026	17,500,029	299,416	1,011,888	89,833	151,264	70,769	5,340	1,417,635	1,071,153
\$15,000 under \$20,000	1,895,101	32,366,813	1,775,472	30,703,348	373,696	1,451,208	151,910	202,419	119,283	5,340	1,798,067	2,827,275
\$20,000 or more	6,157,776	207,863,119	5,960,424	183,721,742	1,419,220	14,826,151	1,014,094	3,461,233	5,278,424	5,853,994	6,128,163	34,214,447

Footnotes(s) at end of table

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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 classified by number of exemptions other than age or blindness—Continued													
	Number of returns		Adjusted gross income less deficit		Salaries and wages		Total net profit less loss from business activities		Sales of property net gain less loss <sup>2</sup>		All other income less loss <sup>1</sup>		Total income tax <sup>3</sup>	
	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	(116)		
<b>Total</b> .....	<b>5,424,292</b>	<b>133,814,896</b>	<b>5,157,254</b>	<b>120,559,313</b>	<b>1,254,669</b>	<b>8,733,150</b>	<b>660,357</b>	<b>2,395,488</b>	<b>3,631,961</b>	<b>2,136,945</b>	<b>4,642,164</b>	<b>18,742,487</b>		
No adjusted gross income	45,221	-1,269,660	24,254	307,530	41,800	-1,072,051	24,338	167,960	31,059	-673,120	706	8,435		
\$1 under \$1,000	18,195	10,722	16,703	20,045	3,862	2,155	1,064	2,217	1,691	-13,694	10	340		
\$1,000 under \$2,000	31,049	47,133	26,351	76,272	7,166	417	1,865	1,180	6,759	-15,376	9	166		
\$2,000 under \$3,000	40,810	103,565	33,375	111,605	10,225	-19,822	4,890	14,019	12,909	-2,237	..	..		
\$3,000 under \$4,000	63,214	222,319	57,122	240,279	12,691	-13,813	2,593	19,638	11,558	-23,785	..	..		
\$4,000 under \$5,000	66,086	299,862	315,557	315,557	15,255	5,433	842	13,998	13,998	-27,729	..	..		
\$5,000 under \$6,000	81,339	447,830	69,803	380,312	23,382	50,228	6,931	6,931	14,842	10,359	..	..		
\$6,000 under \$7,000	89,660	585,423	82,298	528,592	17,626	39,783	4,096	11,120	19,706	5,928	..	..		
\$7,000 under \$8,000	106,708	800,283	97,046	727,559	22,097	54,662	2,874	8,252	20,788	9,810	..	..		
\$8,000 under \$9,000	132,611	1,123,641	125,868	1,053,239	26,183	77,096	9,951	13,987	37,088	8,14	..	..		
\$9,000 under \$10,000	123,927	1,176,506	114,353	1,079,707	26,068	67,708	6,938	9,605	27,152	19,487	..	..		
\$10,000 under \$11,000	116,683	1,221,510	109,680	1,100,580	27,573	113,086	11,570	17,934	47,017	-10,089	..	..		
\$11,000 under \$12,000	155,912	1,791,605	145,510	1,671,610	33,144	78,480	11,192	30,602	68,285	10,914	..	..		
\$12,000 under \$13,000	151,372	1,694,786	145,753	1,778,310	29,886	85,339	8,784	21,937	74,367	9,200	..	..		
\$13,000 under \$14,000	158,028	2,129,636	152,040	2,059,369	33,786	127,185	6,521	4,948	82,628	-32,064	..	..		
\$14,000 under \$15,000	167,604	2,436,145	161,800	2,320,309	39,910	139,397	8,642	10,479	92,231	-34,309	..	..		
\$15,000 under \$16,000	180,736	2,809,044	173,526	2,675,845	34,753	141,117	13,403	13,403	88,655	-29,896	..	..		
\$16,000 under \$17,000	172,678	2,847,989	166,934	2,725,315	36,957	81,982	10,667	15,823	84,896	24,868	..	..		
\$17,000 under \$18,000	163,787	2,873,324	157,354	2,750,400	38,066	111,508	12,653	10,423	98,477	992	..	..		
\$18,000 under \$19,000	184,440	3,410,259	176,680	3,138,342	33,322	181,682	13,663	12,339	118,355	77,896	..	..		
\$19,000 under \$20,000	190,770	3,719,579	188,632	3,603,613	25,843	80,504	9,655	8,783	122,545	26,679	..	..		
\$20,000 under \$25,000	896,802	20,112,531	870,836	19,102,691	161,217	775,836	63,061	141,175	653,983	92,828	..	..		
\$25,000 under \$30,000	719,511	19,472,027	698,985	18,433,808	132,214	595,769	68,000	134,650	590,553	297,806	..	..		
\$30,000 under \$40,000	805,578	27,421,649	782,206	25,549,155	164,149	1,283,864	131,257	198,443	735,683	390,189	..	..		
\$40,000 under \$50,000	261,568	11,551,728	248,238	9,982,624	85,394	1,137,757	68,437	154,934	246,003	276,413	..	..		
\$50,000 under \$75,000	184,939	11,007,162	166,200	8,488,064	89,113	1,303,735	80,792	264,384	180,110	344,999	..	..		
\$75,000 under \$100,000	60,768	5,222,473	52,792	3,717,993	38,843	1,111,236	34,239	163,711	59,836	229,533	..	..		
\$100,000 under \$200,000	50,127	6,893,151	44,441	4,675,587	35,187	1,078,576	32,138	309,009	49,900	519,979	..	..		
\$200,000 under \$500,000	9,518	2,654,305	7,881	1,584,688	7,881	391,761	7,406	267,095	9,486	410,762	..	..		
\$500,000 under \$1,000,000	921	605,347	817	255,875	834	60,002	828	152,308	919	137,161	..	..		
\$1,000,000 or more	270	503,000	235	124,237	242	50,587	259	204,052	270	124,123	..	..		
All returns, summary	264,575	-586,059	216,851	1,071,288	90,999	-1,091,723	40,183	190,317	77,974	-755,941	1,112	10,478		
Under \$5,000	534,245	4,133,683	489,368	3,769,409	115,356	283,478	26,947	49,895	149,576	24,902	..	..		
\$5,000 under \$10,000	749,499	9,473,685	714,783	8,900,378	164,299	543,486	46,709	86,169	364,728	-56,348	..	..		
\$10,000 under \$15,000	892,411	15,660,194	863,126	14,893,515	168,941	596,793	60,041	69,346	512,928	100,539	..	..		
\$15,000 under \$20,000	2,983,562	105,133,393	2,873,126	91,924,722	715,074	8,395,116	486,477	1,989,761	2,526,755	2,823,793	..	..		
\$20,000 or more											2,961,900	17,114,113		

Footnotes at end of table

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, 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 classified by number of exemptions other than age or blindness—Continued												
	Six or more												
	(117)	(118)	(119)	(120)	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)	
Number of returns	Number of exemptions other than age or blindness	Adjusted gross income less deficit	Salaries and wages	Total net profit less loss from business activities <sup>1</sup>	Sales of property net gain less loss	All other income less loss	Total income tax	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Total</b>	<b>3,486,102</b>	<b>23,028,040</b>	<b>82,325,243</b>	<b>3,284,121</b>	<b>747,165</b>	<b>5,567,541</b>	<b>384,719</b>	<b>1,629,910</b>	<b>1,984,138</b>	<b>1,500,631</b>	<b>2,736,977</b>	<b>10,530,879</b>	
No. adjusted gross income	30,956	207,005	-839,439	139,438	29,797	-765,810	13,695	122,807	21,014	-335,884	6,719	618	
\$1,000 under \$1,000	30,680	200,527	20,345	26,439	3,255	4,419	2,576	1,489	6,135	-6,199	**21	**64	
\$1,000 under \$2,000	23,373	162,932	37,022	21,095	4,444	-2,430	1,619	1,489	2,887	-24,153	**	**	
\$2,000 under \$3,000	42,374	272,122	104,317	37,597	6,220	6,617	*1,217	*9,679	5,469	-2,520	**371	**214	
\$3,000 under \$4,000	36,480	240,610	100,775	33,673	5,410	6,613	*280	*1,178	1,178	2,412	**	**	
\$4,000 under \$5,000	57,690	378,731	259,794	51,210	13,702	9,035	4,713	25,377	14,834	9,504	**418	**509	
\$5,000 under \$6,000	62,733	424,454	291,301	55,439	10,185	22,207	1,312	625	14,332	27,387	**	**	
\$6,000 under \$7,000	89,535	612,035	581,270	80,134	15,871	61,272	1,312	15,265	14,922	-3,825	**	**	
\$7,000 under \$8,000	87,585	582,258	658,856	79,507	12,734	52,604	2,317	5,284	17,196	13,549	**78	**153	
\$8,000 under \$9,000	89,275	597,461	677,537	81,685	17,839	39,479	7,427	29,107	21,120	13,549	**1,848	**274	
\$9,000 under \$10,000	86,303	595,455	816,853	81,285	17,839	48,735	3,309	10,919	20,350	16,732	**	**	
\$10,000 under \$11,000	117,416	773,062	1,151,030	109,211	26,469	71,688	4,993	10,919	32,361	7,330	75,787	12,719	
\$11,000 under \$12,000	100,222	666,487	1,156,398	97,815	16,225	75,123	5,205	9,062	31,598	-30,233	81,862	17,060	
\$12,000 under \$13,000	117,183	778,927	1,467,168	112,257	16,077	75,123	5,914	5,127	28,829	-26,098	105,973	39,750	
\$13,000 under \$14,000	123,497	819,002	1,667,474	117,700	19,481	99,503	5,239	-11,666	53,197	-18,490	112,849	59,389	
\$14,000 under \$15,000	98,863	656,249	1,436,003	93,304	17,102	109,512	4,675	8,137	33,071	-24,700	94,735	60,135	
\$15,000 under \$16,000	97,300	655,018	1,512,750	92,536	18,303	60,585	8,487	15,300	44,499	12,011	91,182	68,864	
\$16,000 under \$17,000	112,067	751,900	1,647,627	108,751	12,734	72,968	3,452	7,928	59,172	-13,084	104,853	98,531	
\$17,000 under \$18,000	137,338	920,792	2,405,676	133,694	28,103	101,800	11,133	7,905	69,557	-18,113	132,525	139,630	
\$18,000 under \$19,000	128,756	856,243	2,389,516	125,151	28,103	101,800	6,896	6,200	68,943	14,993	127,299	146,607	
\$19,000 under \$20,000	92,796	615,749	1,811,990	90,176	21,392	83,830	6,244	5,640	62,270	18,811	89,997	125,611	
\$20,000 under \$25,000	537,634	3,569,182	12,043,778	518,642	90,627	549,768	45,513	37,104	353,218	122,484	525,042	1,009,415	
\$25,000 under \$30,000	401,605	2,613,552	10,939,335	392,785	70,953	379,352	40,133	49,721	307,228	162,069	397,767	1,116,236	
\$30,000 under \$40,000	418,108	2,729,861	14,346,261	400,543	90,741	826,615	59,649	85,662	359,282	243,795	413,294	1,787,289	
\$40,000 under \$50,000	167,402	1,078,049	7,366,117	158,653	52,263	686,625	38,714	99,298	156,140	131,146	166,277	1,125,247	
\$50,000 under \$75,000	116,614	765,997	7,000,387	102,842	54,360	1,223,020	47,508	202,716	113,817	205,658	115,878	1,355,512	
\$75,000 under \$100,000	37,591	243,457	3,245,774	32,528	23,990	631,974	18,806	109,451	36,953	126,115	37,481	806,978	
\$100,000 under \$200,000	36,682	241,431	4,624,522	31,865	25,321	728,506	23,154	267,073	36,951	339,230	36,587	1,450,431	
\$200,000 under \$500,000	6,481	43,162	1,805,187	5,700	5,544	218,827	5,055	116,648	6,448	284,077	6,478	1,657,031	
\$500,000 under \$1,000,000	6,723	4,766	4,880,068	6,227	6,321	37,216	644	116,266	723	115,485	723	206,194	
\$1,000,000 or more	240	1,604	476,480	212	215	31,462	219	201,001	240	131,761	240	229,252	

\*Estimate should be used with caution because of the small number of sample returns on which it is based.  
 \*\*Data are based on 1979 returns.  
<sup>1</sup>Consists of business and profession partnership and Small Business Corporation net profit less loss.  
<sup>2</sup>Consists of gain less loss from sales of capital assets and gain less loss from sales of property other than capital assets.  
<sup>3</sup>Consists of dividends in adjusted gross income, interest received, rent, royalty, estate or trust net income less loss, pensions and annuities in adjusted gross income, State income tax, refunds, alimony, unemployment compensation in adjusted gross income, and other income less loss less statutory adjustments.  
 NOTE: Detail may not add to total because of rounding.

Table 2.9 — Exemptions by Type and Marital Status

[All figures are estimates based on samples]

Type of exemption	All returns	Joint returns of husbands and wives	Separate returns of husbands and wives			Returns of heads of households	Returns of surviving spouses	Returns of single persons
			Total	Spouse filing	Spouse not filing			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Number of Returns</b>								
<b>Total returns</b> .....	<b>92,894,302</b>	<b>44,855,141</b>	<b>1,728,238</b>	<b>1,842,787</b>	<b>83,451</b>	<b>7,213,112</b>	<b>115,240</b>	<b>38,784,571</b>
<b>Returns with exemptions for:</b>								
Age 65 or over.....	8,661,855	4,933,570	107,630	*101,105	*6,525	122,339	2,160	3,495,956
Blindness.....	171,330	92,507	961	*544	*417	3,506	—	74,356
Dependents								
Total.....	36,908,080	28,113,547	551,702	519,023	32,679	6,654,372	115,240	1,473,219
Children at home.....	34,780,463	27,432,024	503,499	473,209	30,290	6,056,290	115,240	673,410
Children away from home.....	1,305,649	585,800	48,575	*46,392	*2,183	84,768	22	586,484
Parents at home.....	991,124	500,980	6,081	*5,586	*495	414,513	3,943	65,607
Parents away from home.....	395,207	245,836	1,440	1,440	—	102,724	241	44,966
Other.....	1,114,803	572,650	14,654	†	†	387,030	1,107	139,362
<b>Returns with exemptions for other than age or blindness, total</b> .....	<b>92,894,302</b>	<b>44,855,141</b>	<b>1,728,238</b>	<b>1,842,787</b>	<b>83,451</b>	<b>7,213,112</b>	<b>115,240</b>	<b>38,784,571</b>
One.....	38,993,594	—	1,123,764	1,123,764	—	558,478	—	37,311,352
Two.....	21,551,375	16,741,594	297,441	246,669	50,772	3,537,287	55,719	919,334
Three.....	12,005,677	9,596,551	180,234	159,287	20,947	1,795,068	27,956	405,868
Four.....	11,233,262	10,238,501	75,380	71,967	3,413	803,158	13,450	102,773
Five.....	5,424,292	5,044,348	36,872	*31,161	*5,711	310,031	8,282	24,759
Six or more.....	3,486,102	3,234,147	12,547	*9,939	*2,608	209,090	9,833	20,485
<b>Number of Exemptions</b>								
<b>Total exemptions</b> .....	<b>224,691,732</b>	<b>157,548,462</b>	<b>2,941,905</b>	<b>2,708,827</b>	<b>233,078</b>	<b>19,246,927</b>	<b>354,271</b>	<b>44,602,167</b>
Exemptions for taxpayers (and spouse).....	137,635,249	89,710,282	1,809,689	1,642,787	166,902	7,215,467	115,240	38,784,571
Exemptions for age 65 or over.....	11,322,713	7,592,453	108,805	101,105	8,700	122,339	2,160	3,495,956
Exemptions for blindness.....	173,096	94,273	961	*544	*417	3,506	—	74,356
Exemptions for dependents:								
Total.....	75,560,674	60,149,454	1,021,450	964,391	57,059	11,905,615	236,871	2,247,284
Children at home.....	70,503,146	57,688,556	920,308	870,772	49,536	10,657,484	231,514	1,005,284
Children away from home.....	2,040,426	895,706	74,155	*67,418	*6,737	150,283	44	920,238
Parents at home.....	1,050,736	530,770	6,371	*5,586	*785	438,711	3,943	70,941
Parents away from home.....	480,878	296,073	1,450	1,450	—	122,099	263	60,993
Other.....	1,485,488	738,349	19,166	†	†	537,038	1,107	189,828
<b>Other than age or blindness, total</b> .....	<b>213,195,923</b>	<b>148,859,736</b>	<b>2,831,139</b>	<b>2,607,178</b>	<b>223,961</b>	<b>19,121,082</b>	<b>352,111</b>	<b>41,031,855</b>
One.....	38,993,594	—	1,123,764	1,123,764	—	558,478	—	37,311,352
Two:								
Taxpayer (and spouse).....	38,344,003	33,483,188	348,213	246,669	101,544	3,537,549	55,719	919,334
Dependents.....	4,758,747	—	246,669	246,669	—	3,537,025	55,719	919,334
Three:								
Taxpayer (and spouse).....	21,623,176	19,193,102	201,181	159,287	41,894	1,795,069	27,956	405,868
Dependents.....	14,393,855	9,596,551	339,521	318,574	20,947	3,590,135	55,912	811,736
Four:								
Taxpayer (and spouse).....	21,477,262	20,477,002	78,793	71,967	6,826	805,244	13,450	102,773
Dependents.....	23,455,786	20,477,002	222,727	215,901	6,826	2,407,388	40,350	308,319
Five:								
Taxpayer (and spouse).....	10,474,351	10,088,696	42,583	31,161	11,422	310,031	8,282	24,759
Dependents.....	16,647,109	15,133,044	141,777	124,644	17,133	1,240,124	33,128	99,036
Six or more:								
Taxpayer (and spouse).....	6,722,863	6,468,294	15,155	9,939	5,216	209,096	9,833	20,485
Dependents.....	16,305,177	14,942,857	70,756	58,603	12,153	1,130,943	51,762	108,859

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
 \* Estimate should be used with caution because of the small number of sample returns on which it is based.





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Introduction

The taxpayer, in determining the 1979 total tax liability, had to take into account several factors. These included:

- (1) "income subject to tax," generally adjusted gross income minus personal exemptions and, if applicable, excess itemized deductions or plus the unused zero bracket amount,
- (2) the method of tax computation to be used on the income subject to tax (including the use of the tax tables or tax rate schedules),
- (3) marital status, which determined the applicable set of tax rates,
- (4) taxes from any of the special computations,
- (5) any tax credits the taxpayer was entitled to apply against income tax,
- (6) the additional tax for tax preferences (the minimum tax and alternative minimum tax),
- (7) any other taxes (such as the self-employment tax).

Whether the taxpayer had a balance due at time of filing or was eligible for a refund depended on the following factors:

- (1) any taxpayments made during the year (notably through withholding or payments of estimated tax),
- (2) the availability of refundable credits (such as the earned income credit), and
- (3) any advance payments of the earned income credit.

As described below, "income subject to tax" was the base used to determine "tax generated," the primary component of "income tax before credits." The amount of "tax generated" depended on the type of tax computation used and the taxpayer's marital status. To "tax generated" was added the sum of the "taxes from special computations" to determine income tax before credits. From this sum, statutory credits were subtracted to obtain "income tax after credits." For purposes of this report, all or part of the "earned income credit" (discussed later on in this section) was also subtracted in arriving at income tax after credits.

\*Charles Hicks was responsible for the review and analysis of the data in this section. He was assisted by Patricia Crabbe.

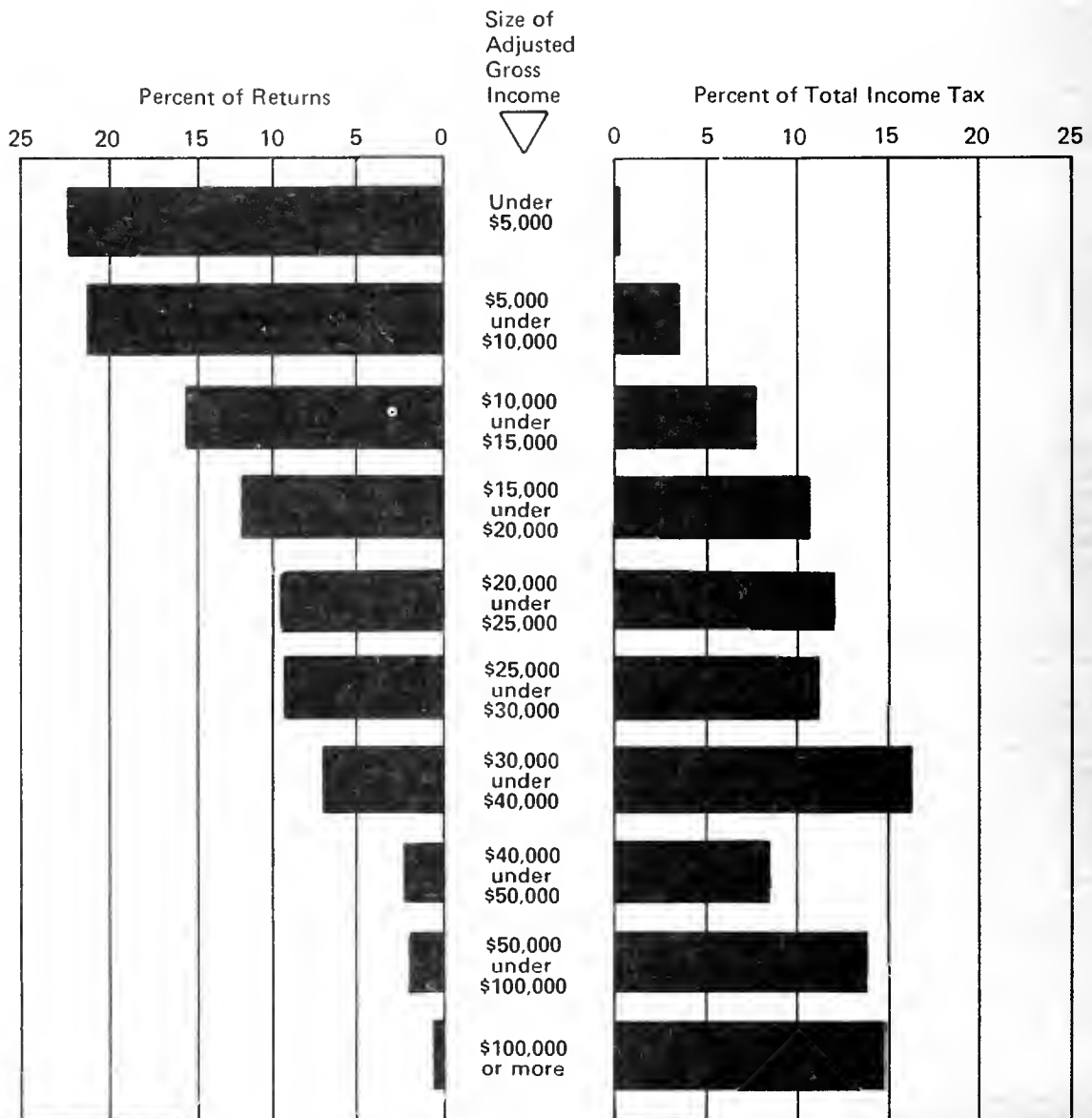
"Total income tax" consisted of the sum of income tax after credits and the additional tax for tax preferences (the minimum tax and the alternative minimum tax). This amount was created for purposes of Statistics of Income (no such amount actually appeared on the tax return itself) to determine whether a return was taxable or nontaxable. Total income tax was used to determine the taxable/nontaxable status of a return since its components were considered to be most representative of income taxes, as opposed to social security or penalty taxes, on current-year income.

Figure 3A illustrates the distribution of total income tax according to income size. The largest pro-

portion of returns filed (22.5 percent) occurred in the under \$5,000 adjusted gross income class and accounted for the smallest proportion of total income tax (less than one-half of 1 percent). Conversely, the smallest proportion of returns filed (0.5 percent) occurred in the highest class, \$100,000 or more, which accounted for nearly 15 percent of total income tax.

"All other taxes" (such as the self-employment tax and the penalty taxes on individual retirement arrangements) were added to "total income tax" to determine the "total tax liability." For purposes of this report, all or a part of the earned income credit was subtracted from "all other taxes" in arriving at total tax liability.

**Figure 3A**  
**Number of Returns and Amount of Total Income Tax, Percent Distribution by Size of Adjusted Gross Income, 1979**



Once the taxpayer determined the tax liability, he or she then subtracted any taxpayments (such as income tax withheld or estimated tax payments) made during the year to determine any overpayment of tax or any additional amount of tax to be paid at the time the return was filed. For purposes of this report, all or part of the earned income credit was subtracted, and prepaid earned income credit added, to determine any overpayment or tax due.

The following text elaborates on the computation of some of these items, with special emphasis on computations that changed for Tax Year 1979. Further detail is contained in Section 6, "Explanation of Terms."

**Income Subject to Tax**

"Income subject to tax" for most taxpayers consisted of adjusted gross income less personal exemptions and, if applicable, excess itemized deductions or plus the unused zero bracket amount; in other words, it was equal to their "taxable income." This was true in the case of taxpayers using the regular tax computation or the maximum tax computation methods.

For returns with the standard income averaging tax computation method, income subject to tax was not the same as taxable income. Income subject to tax for these returns was computed for the statistics by working backward from "tax generated" to derive the amount of income subject to tax. In other words,

income subject to tax was defined as the amount of "taxable income" which would have produced the same tax had the regular tax computation method been used. The computed income subject to tax was lower than the actual amount since the tax was applied to the end result of a set of computations which determined an "average" of the taxpayer's current-year and prior-years' incomes.

Table 3A provides a summary of the types of tax computation used by taxpayers. Of the \$1.2 trillion of income subject to tax reported for 1979, \$957 billion (83 percent) was reported on returns for which the regular method of tax computation was the sole method used.

**Regular Method of Tax Computation**

The "regular" method of tax computation consisted of applying one of four sets of graduated tax rates to brackets of "taxable income." These tax rates were specified in the "tax rate schedules" and incorporated into the "tax tables." The set of rates used depended upon the taxpayer's marital status. For 1979, the regular method of tax computation was the sole method used on 82.0 million returns. Of these, 69.3 million had tax generated (see tables 3A and 3.1). The remaining 12.7 million returns had no tax generated because the income subject to tax on these returns consisted entirely of the zero bracket amount and as such was subject to the zero percent rate.

Table 3A.--All Returns: Selected Income Tax Items by Type of Tax Computation  
[All figures are estimates based on samples--money amounts are in thousands of dollars.]

Type of tax computation	Number of returns	Adjusted gross income (less deficit)	Income subject to tax		Tax generated		Income tax before credits	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns.....	92,694,302	1,465,398,530	86,932,978	1,150,493,447	74,227,855	219,836,616	74,243,834	220,099,516
Returns with--								
No tax computation.....	2,761,324	8,992,440	-	-	-	-	14,477	16,641
Regular tax computation only.....	81,496,134	1,226,570,868	81,496,134	957,066,166	64,257,913	190,140,547	64,270,117	162,143,033
Income averaging tax computation.....	4,790,981	15,126,420	4,590,981	145,034,745	4,590,981	8,212,547	4,590,981	25,260,437
Maximum tax computation.....	26,863	96,911,652	375,863	48,397,716	37,863	11,353,125	375,863	21,493,909
No income subject to tax, but with taxes from special computation.....	5,477	8,526	-	-	-	-	5,477	16,641
Both income subject to tax and taxes from special computation.....	288,706	5,148,834	288,706	6,260,706	288,706	1,133,440	288,706	1,175,265
No income subject to tax but with additional tax for tax preferences								
Minimum tax only.....	5,304	2,601,215	-	-	-	-	-	-
Alternative minimum tax only.....	15,134	160,661	-	-	-	-	42	147
Both minimum tax and alternative minimum tax.....	972	22,687	-	-	-	-	-	-
Income subject to tax and additional tax for tax preferences								
Minimum tax only.....	63,467	6,011,217	63,467	4,266,476	63,467	1,811,443	63,467	1,619,467
Alternative minimum tax only.....	133,246	9,396,068	133,246	6,050,317	126,793	2,330,718	128,666	2,133,965
Both minimum tax and alternative minimum tax.....	4,693	815,412	4,693	364,457	4,693	167,032	4,693	168,140
Type of tax computation	Income tax after credits		Additional tax for tax preferences					
	Number of returns	Amount	Total		Minimum tax		Alternative minimum tax	
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns.....	71,619,111	213,319,330	222,041	1,175,188	74,421	309,248	153,266	865,940
Returns with--								
No tax computation.....	3,014	18,420	20,630	14,179	6,276	96,201	1,326	6,217
Regular tax computation only.....	66,719,047	136,226,296	69,727	1,111,963	35,467	145,106	64,627	294,771
Income averaging tax computation.....	4,519,030	16,415,494	105,983	7,856	26,683	17,151	74,472	11,274
Maximum tax computation.....	28,020	20,658,690	4,629	1,191	2,994	1,311	1,177	14,296
No income subject to tax, but with taxes from special computation.....	5,014	18,420	69	1,630	-	-	-	14,296
Both income subject to tax and taxes from special computation.....	286,776	1,126,194	3,070	16,064	994	1,149	1,155	1,273
No income subject to tax but with additional tax for tax preferences								
Minimum tax only.....	5,304	2,601,215	5,304	2,601,215	5,304	90	14,477	16,641
Alternative minimum tax only.....	15,134	160,661	15,134	160,661	15,134	42	147	166
Both minimum tax and alternative minimum tax.....	972	22,687	972	22,687	972	149	163	172
Income subject to tax and additional tax for tax preferences								
Minimum tax only.....	59,411	1,604,408	63,467	4,266,476	63,467	1,811,443	63,467	1,619,467
Alternative minimum tax only.....	133,246	9,396,068	133,246	6,050,317	126,793	2,330,718	128,666	2,133,965
Both minimum tax and alternative minimum tax.....	4,693	815,412	4,693	364,457	4,693	167,032	4,693	168,140

\*Estimate should be used with caution because of the small number of returns on which it is based.  
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
NOTE: Detail may not add to total because of rounding.

For Tax Year 1979, new tax rate schedules were introduced under the Revenue Act of 1978. These were the first new tax rate schedules to be introduced since 1971 for single persons and unmarried heads of households, and the first new schedules since 1965 for married persons, whether filing jointly or separately. (The introduction of the zero bracket amount into the tax rate schedules for Tax Year 1977, as a substitute for the standard deduction, did not change the rates applicable to taxable income in excess of the zero bracket amount.) The lowest rate at which tax was generated for Tax Year 1979, as was true in earlier years, was 14 percent; the highest rate remained at 70 percent. However, there were fewer and much broader income classes between these rates, resulting in a lower tax than would have been generated under the old tax rate schedules. For example, for joint returns, there were 15 tax brackets for 1979, as opposed to 25 for 1978; the top (70 percent) bracket applied to taxable income over \$215,400, as opposed to \$203,200 for 1978. Somewhat offsetting this tax reduction, however, was the abolition of the general tax credit, first introduced (as the "exemptions tax credit") for Tax Year 1975.

Table 3.13 shows the amount of income taxed at each of the rates in the new tax rate schedules. In columns 1 through 9, each return is classified just once--by the highest (or "marginal") tax rate applicable to the return. In columns 10 through 12, the return is also classified by each lower rate at which any portion of the taxpayer's income is taxed. In other words, a return with the regular tax computation is shown in those columns at each rate which appears in the applicable tax rate schedule, up to and including the marginal tax rate.

#### Maximum Tax Computation

The purpose of the maximum tax was to ease, to a certain extent, the tax burden on those high income taxpayers whose income consisted largely of "personal service net income" (defined below). This was achieved by applying a maximum rate of 50 percent to income from personal service earnings, while retaining the 70 percent maximum rate for other types of income. Table 3.12 details the computation of the maximum tax, while table 3.1 shows selected characteristics of returns with the maximum tax computation, including tax savings due to the maximum tax.

"Personal service net income" basically consisted of amounts received for services actually rendered during the year (especially salaries, wages, commissions, and gains from sales of property created by the taxpayer), as well as deferred compensation for personal service rendered in the past (especially pensions). "Personal service taxable income" was obtained by multiplying taxable income by the ratio of personal service net income to adjusted gross income, and then reducing the result (limited to no more than the amount of taxable income) by the "tax preference offset," which was equal to the sum of all regular tax preferences (those reportable on Form 4625) plus the itemized deduction tax preference (from the alternative minimum tax form, Form 6251). Under a provision of the Revenue Act of 1978, the capital gains tax preference no longer had to be used to offset personal service taxable income.

As is shown in table 3.12, personal service income can be divided into three types: the zero bracket amount, at which no tax is generated; the amount taxed at regular rates in the tax rate schedules (14 through 49 percent); and the amount subject to the 50 percent maximum rate. Any remaining taxable income which is not personal service taxable income is shown as "other taxable income," and is taxed at regular rates above 50 percent.

In table 3.13, maximum tax returns are shown as follows. If the return has no "other taxable income," then it appears in columns 1 through 9 on the "5 percent maximum rate" line. On the other hand returns with "other taxable income" appear at the same marginal rate they would have had under the regular tax computation. In columns 10 through 12, a maximum tax return appears at every rate from 0 through 49 percent in the applicable tax rate schedule, as well as at the 50 percent maximum rate. In addition, if there is "other taxable income" present, the return reappears in the marginal tax rate table at the highest rate that would have been applicable to "earned taxable income," and is shown at every applicable rate through the marginal tax rate.

#### Income Averaging Tax Computation

If a taxpayer's taxable income for 1979 exceeded the average taxable income for 1975-78 by one-fifth and this excess was \$3,000 or more, the taxpayer was eligible for the income averaging tax computation method. Under this computation, a part of an unusually large income in the current year was, in effect, taxed at the lower rate applicable to the first one-fifth of such income. Taxpayers choosing the income averaging tax computation were not eligible for the special 50 percent rate applicable to personal service income under the maximum tax computation.

Table 3.1 shows selected characteristics of returns with the income averaging tax computation, including tax savings due to income averaging. In table 3.13 income averaging returns are shown in the same manner as returns with the regular tax computation, except that a recomputed "income subject to tax" (described above) is used in determining the marginal tax rate.

#### Other Methods of Tax Computation

The Revenue Act of 1978 abolished several methods of tax computation which were available in earlier years. Among these was the alternative tax computation, which limited the tax rate on the first \$25,000 of long-term capital gains (the first \$12,500 in the case of married persons filing separately) to 50 percent. For most taxpayers, the abolition of this alternative tax was more than offset by the reduction of the includible portion of long-term capital gain in adjusted gross income from 50 to 40 percent. However, some taxpayers in the top tax bracket may have ended up with a slightly higher effective tax rate on all or a portion of their capital gains--2 percent (0.7 times 0.4) as opposed to 25 percent (0.5 times 0.5).

Also abolished for 1979 was the special computation for partially tax-exempt foreign income (since the exemption of foreign earned income no longer existed), as well as several hybrid tax computations, such as the maximum/alternative computation, the partially tax-exempt/maximum computation, and the partially tax-exempt/alternative computation.

#### Additional Tax for Tax Preferences (Minimum and Alternative Minimum Tax)

For Tax Year 1979, taxpayers with high income who might have otherwise paid little or no tax (due to large deductions, credits, or capital gain exclusions) became subject to a new "alternative minimum tax." This tax was computed, in general, by adding to taxable income any excluded long-term capital gains plus "excess" itemized deductions (those exceeding 60 percent of adjusted gross income), subtracting \$20,000, and subjecting the remainder to a graduated tax ranging from 10 to 25 percent. The alternative minimum tax was then reduced by other income taxes.

In effect, the taxpayer had to pay the greater of the tax computed under the normal tax computation methods or the alternative minimum method.

For tax years before 1979, excess itemized deductions and excluded capital gains had been combined with other "tax preferences" and, after certain exclusions, subjected to a flat 15 percent tax. This "minimum tax" computation remained in effect for other tax preferences for 1979. The minimum tax and the alternative minimum tax, taken together, are shown as the "additional tax for tax preferences" in the tables.

Table 3B shows that there were two pronounced effects of splitting tax preferences into two groups and computing a separate tax on each group. On the one hand, many taxpayers escaped without any additional tax for tax preferences. Since both computations had exclusions, and the one on the alternative minimum tax form was generally larger, over half the taxpayers who previously owed an additional tax for tax preferences no longer had such a liability for 1979. On the other hand, the alternative minimum tax was a progressive tax, with a maximum rate of 25 percent, whereas the minimum tax was a flat 15 percent. As a result, the average additional tax went up considerably, from \$3,057 for 1978 to \$5,293 for 1979.

to 10 percent of the excess of income over \$4,000 (for phaseout purposes, income was described as the larger of earned income or adjusted gross income). Thus, the credit was available only to individuals with income under \$8,000. The earned income credit was scheduled to expire after 1978. However, the Revenue Act of 1978 not only made it permanent, but also liberalized its computation. For 1979, the earned income credit was 10 percent of the first \$5,000 of earned income, with a phaseout equalling 12.5 percent of the excess of income over \$6,000. Therefore, the credit became available to taxpayers with income between \$8,000 and \$10,000, and increased substantially for those with income between \$4,000 and \$8,000. Figure 3B illustrates the increase in frequency and amount of earned income credit in Tax Year 1979.

The Revenue Act of 1978 also included a provision which allowed taxpayers who believed they would be eligible for the earned income credit at the end of the year to receive the credit from their employers as an additional payment in their paychecks during the year. These payments were then shown on the tax return, where they became either an increase to balance due or a reduction of overpayment. Table 3C shows that of the 7.1 million taxpayers who qualified for the earned income credit for Tax Year 1979, only 29,000 claimed an advance earned income credit. Of these 29,000, some 22,000 claimed less in advance payments than they were entitled to, while nearly 7,000 claimed more.

More detail on the earned income credit is contained in section 6, Explanation of Terms.

Earned Income Credit

For Tax Years 1975 through 1978, the earned income credit was computed as 10 percent of the first \$4,000 of earned income reduced by a phaseout which was equal

Table 3B.--Returns With Additional Tax for Tax Preferences, 1978 and 1979

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

Size of adjusted gross income	Additional tax for tax preferences, 1978		Additional tax for tax preferences, 1979					
	Number of returns	Amount	Total		Minimum tax		Alternative minimum tax	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	495,332	1,514,475	222,021	1,175,188	74,421	309,248	153,265	865,940
Under \$5,000.....	22,406	72,300	10,671	76,045	4,097	22,579	6,964	53,466
\$5,000 under \$10,000.....	12,547	18,848	4,080	8,207	999	1,361	3,126	6,846
\$10,000 under \$15,000.....	13,545	17,753	9,323	9,020	1,549	1,453	7,852	7,567
\$15,000 under \$20,000.....	40,324	31,369	8,421	10,827	852	2,139	7,615	8,688
\$20,000 under \$25,000.....	30,899	28,208	12,625	19,455	2,980	3,390	9,710	16,065
\$25,000 under \$30,000.....	50,862	50,076	20,134	28,117	4,473	7,957	15,707	20,159
\$30,000 under \$50,000.....	138,383	206,833	62,116	123,213	14,098	25,602	48,600	97,611
\$50,000 under \$100,000.....	125,066	348,946	56,439	254,874	25,638	82,928	32,449	171,946
\$100,000 under \$200,000.....	45,061	283,923	26,314	250,873	13,976	67,402	13,971	183,471
\$200,000 under \$500,000.....	13,278	230,156	9,413	210,520	4,703	53,466	5,610	157,053
\$500,000 under \$1,000,000.....	2,154	101,825	1,718	81,631	762	21,420	1,124	60,211
\$1,000,000 or more.....	807	124,237	767	102,407	294	19,550	537	82,857

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

Figure 3B

Number of Returns and Amount of Earned Income Credit, 1975-1979

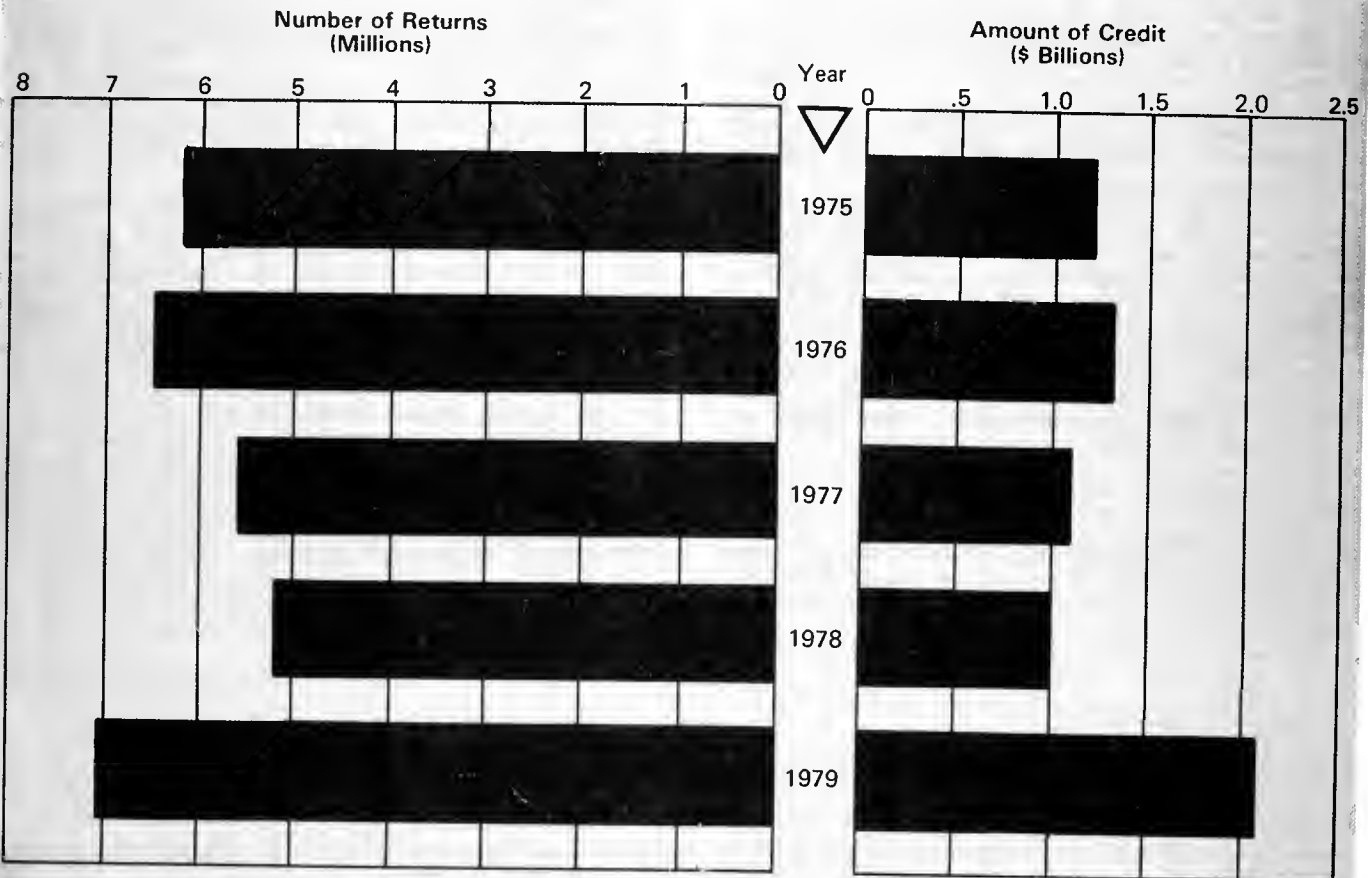


Table 3C.--Returns With Advance Earned Income Credit Payments: Selected Items by Size of Adjusted Gross Income  
 [All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns	Earned income	Earned income credit				Advance earned income credit payments			
			Total		In excess of advance earned income credit payments		Total		In excess of earned income credit	
			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)
Total.....	29,125	221,150	24,098	7,949	22,250	4,205	29,125	3,902	*6,875	*158
No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-
\$1 under \$2,000.....	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$4,000.....	*2,137	*8,268	*2,137	*825	*2,137	*532	*2,137	*293	-	-
\$4,000 under \$6,000.....	*1,870	*10,412	*1,870	*935	*1,870	*597	*1,870	*338	-	-
\$6,000 under \$8,000.....	*11,905	*82,761	*11,905	*4,406	*11,905	*2,164	*11,905	*2,243	-	-
\$8,000 under \$10,000.....	*10,170	*83,902	*8,186	*1,783	*6,338	*913	*10,170	*936	*3,832	*65
\$10,000 under \$15,000.....	*2,961	*32,091	-	-	-	-	*2,961	*58	*2,961	*58
\$15,000 or more.....	*82	*3,716	-	-	-	-	*82	*35	*82	*35

\*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 total because of rounding.

Table 3.1 — Returns With Income Subject to Tax: Adjusted Gross Income, Deductions, Exemptions, Taxable Income, and Tax Items, by Size of Adjusted Gross Income and Type of Tax Computation

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

Table with 10 columns: Type of tax computation by size of adjusted gross income, Number of returns, Adjusted gross income, Unused zero bracket amount, Excess itemized deductions, Tax table income, Exemptions, and Tax savings over regular computation. Rows are categorized by tax computation type (regular, averaging, maximum) and income levels.

Footnote(s) at end of table





Table 3.2 — Returns With Residential Energy Expenditures: Expenditures by Type and Computation of the Energy Credit, by Size of Adjusted Gross Income

Table with 12 columns: (1) Number of returns, (2) Total of principal residences, (3) Total expenditures, (4) Amount, (5) Number of returns, (6) Amount, (7) Number of windows or doors, (8) Amount, (9) Number of returns, (10) Amount, (11) Number of returns, (12) Amount. The table is divided into 'All returns, total' and 'Taxable returns, total' sections, with rows for various income levels.

\* Estimates based on samples—money amounts are in thousands of dollars.

† Estimates, at end of year.



Table 3.2 — Returns With Residential Energy Expenditures: Expenditures by Type and Computation of the Energy 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 renewable energy source expenditures—Continued														
	E. expenditures for geothermal energy			Expenditures for wind energy			Maximum allowable renewable energy source expenditures			Maximum allowable current year renewable energy source expenditures			Renewable energy source credit (before limitation)		
	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)	Number of returns (29)	Amount (30)	Number of returns (31)	Amount (32)	Number of returns (33)	Amount (34)	Number of returns (35)	Amount (36)			
<b>All returns, total</b> .....	5,416	9,684	9,965	9,408	76,555	171,584	3,996	6,628	76,555	171,552	76,555	43,835			
No adjusted gross income	—	—	—	—	252	1,104	—	—	252	1,104	—	—			
\$1 under \$1,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$1,000 under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$4,000 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$5,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$6,000 under \$7,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$7,000 under \$8,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$8,000 under \$9,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$9,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$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 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$75,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$100,000 under \$200,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$1,000,000 or more	—	—	—	—	—	—	—	—	—	—	—	—			
<b>Taxable returns, total</b> .....	4,406	8,112	9,825	9,059	69,688	155,751	3,887	6,209	69,688	155,751	69,688	39,622			
No adjusted gross income	—	—	—	—	—	—	—	—	—	—	—	—			
\$1 under \$1,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$1,000 under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$4,000 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$5,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$6,000 under \$7,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$7,000 under \$8,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$8,000 under \$9,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$9,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$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 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$75,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$100,000 under \$200,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$500,000 or more	—	—	—	—	—	—	—	—	—	—	—	—			
<b>Total nontaxable returns</b> .....	1,010	1,572	1,140	3,349	6,867	15,028	1,099	4,419	6,867	15,802	6,867	4,213			
All returns summary	—	—	—	—	—	—	—	—	—	—	—	—			
Under \$5,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—			
\$20,000 or more	—	—	—	—	—	—	—	—	—	—	—	—			

Footnotes at end of table

Table 3.2—Returns With Residential Energy Expenditures: Expenditures by Type and Computation of the Energy Credit, by Size of Adjusted Gross Income—Continued

Table with 14 columns: Size of adjusted gross income, Total current-year residential energy credit (before limitation), Residential energy credit carryover from 1978, Total available residential energy credit, Income tax before residential energy credit, Credit carried over, Credit used to offset income tax before credits, and Amount. Rows include 'All returns, total' and 'Taxable returns, total' with various income brackets and counts.

† Estimates should be used with caution because of the small number of sample returns on which it is based. \* Data continued to avoid disclosure of information for specific taxpayers. †† Data on the number of returns used to compute the minimum tax for 1979 and amounts carried over to 1980. NOTE: Detail may not add to total because of rounding.













Table 3.4 — Returns With Total Income Tax as a Percent of Adjusted Gross Income, 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	Total income tax as a percent of adjusted gross income											
	Total		Under 3 percent		3 under 5 percent		5 under 7 percent		7 under 10 percent		10 percent or more	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>All Returns</b>												
<b>Total</b>	71,694,983	1,402,263,632	214,494,519	6,083,860	44,068,029	707,318	4,984,320	44,882,555	1,827,373	6,449,463	69,065,448	4,206,593
No adjusted gross income	7,971	-559,333	70,473	—	—	—	—	—	—	—	—	—
\$1 under \$5,000	4,710,927	18,926,720	531,951	2,804,653	10,591,845	159,662	1,692,712	7,693,277	308,739	119,112	407,970	24,347
\$5,000 under \$10,000	15,447,681	117,330,618	8,349,739	2,271,979	17,257,628	277,458	1,712,313	13,400,459	537,235	3,209,453	21,970,419	1,229,197
\$10,000 under \$15,000	14,063,694	174,423,803	16,967,734	6,722,291	7,958,906	138,126	1,113,945	13,248,671	547,716	1,899,662	23,367,490	1,419,330
\$15,000 under \$20,000	11,246,772	196,134,200	22,661,266	184,488	3,156,488	53,619	285,563	4,911,682	200,856	712,325	12,179,579	750,800
\$20,000 under \$30,000	15,239,758	371,894,754	50,112,016	92,046	2,242,502	34,167	132,875	3,103,899	127,582	330,641	7,633,156	470,185
\$30,000 under \$50,000	8,646,040	317,191,283	54,079,292	42,132	1,539,810	25,154	44,486	1,653,984	67,589	61,300	2,177,600	133,005
\$50,000 under \$100,000	1,881,269	122,621,139	29,810,960	13,123	863,638	11,819	10,683	668,792	27,583	14,373	902,441	54,382
\$100,000 under \$200,000	357,210	46,964,069	15,645,674	2,892	374,937	5,961	1,470	189,187	7,586	2,169	277,391	16,458
\$200,000 or more	93,661	37,334,178	16,265,413	256	82,224	1,353	273	72,606	2,988	428	149,401	8,989
<b>Joint Returns</b>												
<b>Total</b>	39,003,917	1,019,974,742	161,081,195	2,336,316	25,609,751	415,664	2,227,099	28,455,568	1,160,892	3,175,007	46,629,551	2,843,968
No adjusted gross income	6,847	-472,161	59,434	—	—	—	—	—	—	—	—	—
\$1 under \$5,000	5,607	15,531	10,638	1,745	8,239	109	—	—	—	—	—	—
\$5,000 under \$10,000	2,730,715	22,874,723	728,534	1,451,303	11,537,301	178,587	787,046	6,796,562	269,190	480,180	4,444,873	267,051
\$10,000 under \$15,000	6,158,596	77,754,947	5,183,258	588,499	6,975,895	121,217	1,001,635	11,929,942	492,995	1,644,942	20,339,562	1,234,162
\$15,000 under \$20,000	7,296,873	127,659,647	12,305,800	158,871	2,720,182	46,236	264,841	4,561,605	187,009	665,216	11,392,345	701,731
\$20,000 under \$30,000	12,721,593	312,393,982	39,482,090	84,595	2,064,382	31,136	122,545	2,872,129	118,048	310,337	7,166,128	442,033
\$30,000 under \$50,000	7,991,362	293,574,286	46,906,713	37,293	1,371,866	22,311	40,023	1,462,396	60,337	59,246	2,106,869	128,533
\$50,000 under \$100,000	1,151,731	111,674,386	26,666,772	11,265	734,755	9,769	9,517	592,193	24,490	12,785	808,034	48,318
\$100,000 under \$200,000	323,463	12,334,169	4,910,461	2,326	327,052	5,062	1,260	159,272	6,272	1,869	239,569	14,190
\$200,000 or more	82,308	31,876,557	13,725,494	219	70,055	1,195	232	61,468	2,552	362	1,321,172	7,949
<b>Nonjoint Returns</b>												
<b>Total</b>	32,689,106	382,288,889	53,413,324	3,747,544	18,258,279	291,655	2,767,221	16,426,967	666,461	3,274,456	22,435,897	1,362,626
No adjusted gross income	1,124	-87,172	11,038	—	—	—	—	—	—	—	—	—
\$1 under \$5,000	4,705,320	18,911,189	521,314	2,802,908	10,583,606	159,553	1,692,712	7,633,277	308,239	119,112	407,970	24,347
\$5,000 under \$10,000	12,716,966	94,456,094	7,621,205	820,676	5,720,378	98,870	925,267	6,603,897	268,046	2,829,273	17,525,546	1,062,146
\$10,000 under \$15,000	7,905,098	96,668,856	11,774,476	83,792	983,011	16,910	112,310	1,318,728	54,720	254,670	3,027,928	185,067
\$15,000 under \$20,000	3,979,899	68,474,554	10,355,466	25,617	436,306	7,382	20,722	350,077	13,847	47,109	787,234	49,069
\$20,000 under \$30,000	2,518,165	59,507,772	10,629,927	7,451	178,120	3,031	10,330	231,770	9,534	20,304	467,028	28,152
\$30,000 under \$50,000	654,058	23,717,015	5,172,579	4,839	167,921	2,842	4,463	171,588	7,252	2,073	70,731	4,472
\$50,000 under \$100,000	165,538	10,747,681	3,142,188	1,858	128,863	2,030	1,166	76,598	3,082	1,588	97,371	6,064
\$100,000 under \$200,000	33,745	4,437,280	1,645,213	366	47,885	879	210	29,915	1,314	300	37,822	2,268
\$200,000 or more	11,153	5,455,621	2,539,919	37	12,169	157	41	11,118	436	46	17,230	1,040

Footnote(s) at end of table

**Table 3.4 — Returns With Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income — Continued**  
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued											
	7 under 10 percent		10 under 12 percent		12 under 15 percent		15 under 17 percent					
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
<b>All Returns</b>												
<b>Total</b>	<b>13,479,786</b>	<b>181,442,985</b>	<b>15,689,186</b>	<b>10,860,601</b>	<b>183,358,577</b>	<b>20,237,021</b>	<b>14,134,840</b>	<b>297,757,016</b>	<b>40,076,932</b>	<b>6,231,139</b>	<b>161,742,349</b>	<b>25,806,545</b>
No adjusted gross income	60,420	164,219	13,818	20,658	83,973	9,447	9,202	37,427	4,892	—	2,030	—
\$1 under \$5,000	5,064,719	37,008,332	3,161,184	2,977,217	26,729,679	2,911,728	101,596	876,207	113,867	9,660	82,783	12,867
\$5,000 under \$10,000	3,525,289	44,566,283	3,757,584	1,779,602	21,896,300	2,403,534	4,405,034	53,864,429	7,204,536	6,181,011	8,623,034	1,359,009
\$10,000 under \$15,000	2,840,218	48,776,172	4,264,378	2,643,316	46,431,618	5,109,025	2,078,986	37,372,343	4,908,036	1,450,889	24,113,663	3,883,300
\$15,000 under \$20,000	1,712,098	39,926,240	3,525,057	2,944,823	70,005,964	7,773,762	5,666,744	137,949,934	18,601,262	2,255,249	58,485,166	9,291,644
\$20,000 under \$30,000	247,524	6,632,974	762,570	466,373	16,086,866	1,794,787	1,800,339	62,607,788	8,557,413	1,808,792	64,471,902	10,331,452
\$30,000 under \$50,000	25,374	1,626,978	141,408	25,329	1,595,570	176,631	67,093	4,085,019	556,207	83,503	4,987,381	804,532
\$50,000 under \$100,000	3,480	452,152	38,810	2,899	376,279	41,523	4,968	640,587	86,874	3,779	497,544	79,726
\$100,000 under \$200,000	664	289,635	24,676	384	152,238	16,565	878	323,285	43,846	836	272,647	43,631
\$200,000 or more	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>7,054,021</b>	<b>126,499,491</b>	<b>10,988,263</b>	<b>6,071,666</b>	<b>132,306,629</b>	<b>14,616,972</b>	<b>8,386,663</b>	<b>219,140,868</b>	<b>29,495,472</b>	<b>3,736,935</b>	<b>118,307,526</b>	<b>18,879,432</b>
No adjusted gross income	68	263	20	—	—	—	—	—	—	—	—	—
\$1 under \$5,000	6,758	58,751	4,690	2,657	18,841	1,966	1,708	11,425	1,593	420	2,000	324
\$5,000 under \$10,000	2,530,436	32,895,365	2,741,381	385,243	5,511,600	576,622	4,560	64,003	7,962	506	310	471
\$10,000 under \$15,000	2,621,584	45,084,496	3,944,802	2,377,127	41,917,721	4,808,877	1,170,459	21,823,762	2,780,579	6,363	11,646	18,079
\$15,000 under \$20,000	1,631,234	38,081,690	3,364,009	2,826,063	67,249,298	7,466,845	5,380,300	131,308,532	17,696,934	1,878,320	49,790,417	7,896,164
\$20,000 under \$30,000	237,575	8,279,401	731,977	454,038	15,656,078	1,746,593	1,760,827	61,222,885	8,368,103	1,766,042	62,939,009	10,084,218
\$30,000 under \$50,000	22,736	1,470,435	127,455	23,726	1,502,135	166,567	63,696	3,677,900	527,768	79,442	4,747,283	766,046
\$50,000 under \$100,000	3,070	398,157	34,188	2,490	322,172	35,527	4,337	554,962	74,916	3,446	454,280	72,869
\$100,000 under \$200,000	540	230,933	19,742	322	128,183	13,966	776	277,397	37,615	733	235,624	37,758
\$200,000 or more	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>6,425,765</b>	<b>54,943,494</b>	<b>4,720,923</b>	<b>4,788,935</b>	<b>51,051,949</b>	<b>5,620,050</b>	<b>5,748,177</b>	<b>78,616,150</b>	<b>10,581,461</b>	<b>2,494,204</b>	<b>43,434,824</b>	<b>6,927,113</b>
No adjusted gross income	60,322	163,955	13,798	20,658	83,973	9,447	9,202	37,427	4,892	—	2,030	—
\$1 under \$5,000	5,079,962	36,949,581	3,156,492	2,974,560	26,710,837	2,909,762	99,888	864,752	112,273	9,154	79,683	12,306
\$5,000 under \$10,000	994,853	11,670,918	1,015,902	1,344,359	16,384,790	1,826,924	4,400,574	53,800,426	7,196,573	616,348	8,608,098	1,365,507
\$10,000 under \$15,000	218,634	3,691,678	3,193,777	266,189	4,513,898	500,148	908,527	15,548,560	2,127,457	1,444,526	23,999,017	3,865,222
\$15,000 under \$20,000	80,864	1,844,550	1,610,448	118,760	2,756,666	306,918	286,444	6,641,402	904,328	376,329	8,694,748	1,395,480
\$20,000 under \$30,000	9,949	353,574	30,593	12,335	430,788	48,193	39,512	1,384,903	189,311	42,750	5,532,893	247,233
\$30,000 under \$50,000	2,638	156,543	13,953	1,603	93,435	10,063	3,397	207,119	28,439	4,061	240,098	38,466
\$50,000 under \$100,000	410	53,995	4,622	409	53,507	5,996	631	85,625	11,958	333	43,263	6,857
\$100,000 under \$200,000	124	58,702	4,934	62	24,055	2,599	102	45,887	6,231	103	37,023	5,933
\$200,000 or more	—	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table

Table 3.4 — Returns With Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued											
	17 under 20 percent		20 under 25 percent		25 under 30 percent		30 under 40 percent					
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
<b>All Returns</b>												
<b>Total</b>	5,096,078	158,350,263	29,064,166	2,880,827	119,123,712	26,327,423	807,000	51,689,785	14,093,012	530,282	56,281,126	19,342,788
No adjusted gross income	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	27	*201	122,990	*317	*8,211	*1,805	*45	*359	*104	*13	*684	*258
\$15,000 under \$20,000	48,960	680,855	3,296,149	46,924	841,580	180,631	*338	*311	*29	*91	*304	*93
\$20,000 under \$30,000	1,002,854	18,329,075	6,071,213	756,981	18,968,122	4,091,588	13,473	351,952	91,584	1,754	49,374	15,782
\$30,000 under \$50,000	1,332,836	33,254,269	16,840,657	1,441,729	38,361,702	12,754,476	218,644	8,752,657	2,325,330	31,531	1,362,658	438,638
\$50,000 under \$100,000	2,480,958	91,439,723	2,453,533	610,906	3,654,327	8,450,350	519,866	34,857,447	9,527,441	275,874	21,511,273	7,104,808
\$100,000 under \$200,000	7,638	13,139,630	181,672	21,700	2,654,002	802,674	50,168	6,132,882	1,707,819	195,966	25,376,092	8,908,108
\$200,000 or more	1,525	528,371	97,913	2,754	1,085,837	245,824	4,209	1,590,300	439,610	24,896	7,979,868	2,874,776
<b>Joint Returns</b>												
<b>Total</b>	3,079,124	115,373,615	21,174,562	1,811,085	89,037,174	19,712,504	596,666	42,573,136	11,617,282	417,550	48,098,155	16,526,855
No adjusted gross income	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	27	*201	122,990	*317	*8,211	*1,805	*45	*359	*104	*13	*684	*258
\$15,000 under \$20,000	1,186	*12,816	2,245	*134	*1,768	*387	*12	*135	*35	*23	*126	*39
\$20,000 under \$30,000	1,241	*23,325	4,411	*128	*2,153	*475	*32	*565	*158	*47	*286	*72
\$30,000 under \$50,000	479,913	13,651,832	2,411,360	6,924	163,166	37,036	*68	1,715	498	*663	*18,519	*5,842
\$50,000 under \$100,000	2,374,372	87,641,170	16,106,010	1,193,347	49,582,504	10,770,794	64,708	3,018,731	781,189	2,537	98,636	33,000
\$100,000 under \$200,000	213,952	12,612,527	2,969,714	588,227	35,903,195	8,133,605	480,342	32,418,988	8,851,464	206,915	16,914,819	5,523,634
\$200,000 or more	7,108	312,982	169,424	19,817	2,430,817	554,505	47,377	5,786,393	1,611,743	184,543	23,923,861	8,386,760
	1,325	439,763	81,371	2,457	953,245	215,626	3,721	1,345,551	371,902	22,808	7,141,209	2,577,123
<b>Nonjoint Returns</b>												
<b>Total</b>	2,016,954	42,976,648	7,889,604	1,069,742	30,086,538	6,614,919	210,334	9,116,649	2,475,731	112,732	8,182,971	2,815,933
No adjusted gross income	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	47,774	668,040	120,745	*478	*6,443	*1,418	*19	*203	*56	*6	*68	*21
\$20,000 under \$30,000	1,001,613	18,305,750	3,291,739	46,796	839,427	180,156	*164	2,551	679	—	—	—
\$30,000 under \$50,000	852,923	19,602,436	3,659,864	749,457	18,704,956	4,054,552	13,405	350,237	91,086	*1,091	*30,855	*9,840
\$50,000 under \$100,000	106,586	3,798,553	704,647	248,382	8,798,803	1,983,681	153,936	5,733,926	1,544,141	28,994	1,264,023	405,638
\$100,000 under \$200,000	7,328	14,488,103	83,818	22,679	1,391,132	316,745	39,524	2,438,459	675,976	68,959	4,596,454	1,581,174
\$200,000 or more	530	65,158	12,248	1,653	213,592	48,169	2,791	346,490	96,076	11,423	1,452,231	521,349
	200	88,608	16,543	297	132,592	30,196	488	244,748	67,708	2,088	838,659	297,653

Footnotes) at end of table

**Table 3.4 — Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income — Continued**  
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued					100 percent or more						
	40 under 50 percent		50 under 70 percent		70 under 100 percent		Adjusted gross income less deficit		Adjusted gross income less deficit		Total income tax (48)	
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)		(47)
<b>All Returns</b>												
<b>Total</b>												
No adjusted gross income	108,574	23,459,456	10,342,132	24,732	11,371,570	6,478,231	1,682	172,156	136,625	11,799	-501,400	159,171
\$1 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	70,474
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	3,069
\$10,000 under \$15,000	61	495	216	20	77	628	315	1,404	1,249	7,971	-559,333	9,474
\$15,000 under \$20,000	30	368	177	38	491	286	279	2,163	1,840	2,869	3,069	3,264
\$20,000 under \$25,000	9	170	76	29	117	491	16	220	193	85	635	2,646
\$25,000 under \$30,000	87	2,471	1,209	339	6,617	5,210	47	801	618	81	1,447	3,469
\$30,000 under \$35,000	940	37,200	19,261	1,030	36,907	19,261	150	3,653	2,874	262	6,437	8,897
\$35,000 under \$40,000	11,405	372,863	132,158	18,722	332,158	72,942	431	27,330	4,735	135	4,439	7,069
\$40,000 under \$45,000	56,186	8,383,721	3,618,047	3,930	617,907	330,860	1,281	18,389	23,611	156	10,292	14,808
\$45,000 under \$50,000	39,855	14,116,166	6,314,344	16,485	10,558,731	6,039,818	179	112,727	15,009	67	9,859	14,546
\$50,000 or more	82,917	19,577,420	8,622,582	17,343	8,448,256	4,800,107	1,312	140,265	110,974	10,213	-422,683	24,525
<b>Joint Returns</b>												
<b>Total</b>												
No adjusted gross income	—	—	—	—	—	—	—	—	—	—	—	59,434
\$1 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	8,711
\$5,000 under \$10,000	61	495	216	189	969	628	107	860	811	2,655	2,804	3,084
\$10,000 under \$15,000	29	354	170	38	491	286	16	220	193	130	1,424	2,023
\$15,000 under \$20,000	9	170	76	29	117	491	7	801	618	79	1,410	3,277
\$20,000 under \$25,000	87	2,471	1,209	339	6,617	5,210	149	3,628	2,856	56	1,457	2,820
\$25,000 under \$30,000	771	31,801	14,960	965	33,781	17,664	116	4,806	4,093	122	4,314	6,929
\$30,000 under \$35,000	1,532	111,098	48,879	1,138	71,985	40,461	307	19,142	16,477	151	9,970	14,106
\$35,000 under \$40,000	44,263	6,805,361	2,915,362	1,188	191,669	103,734	109	15,501	12,672	62	9,142	13,218
\$40,000 under \$45,000	36,165	12,625,670	5,641,710	12,648	8,124,989	4,622,916	146	93,904	72,006	34	18,374	22,065
\$45,000 or more	25,657	3,882,036	1,719,550	7,389	2,923,314	1,678,124	370	31,891	25,651	1,586	-78,717	23,504
<b>Nonjoint Returns</b>												
<b>Total</b>												
No adjusted gross income	—	—	—	—	—	—	—	—	—	—	—	11,038
\$1 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	763
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	52
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	815
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$35,000	—	—	—	—	—	—	—	—	—	—	—	—
\$35,000 under \$40,000	—	—	—	—	—	—	—	—	—	—	—	—
\$40,000 under \$45,000	—	—	—	—	—	—	—	—	—	—	—	—
\$45,000 or more	—	—	—	—	—	—	—	—	—	—	—	—

\* 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.  
 N/A: Detail may not add to total because of rounding.

Table 3.5 — Returns With Income Tax Before Credits: Tax and Credits, by Size of Adjusted Gross Income

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

Table with columns: Size of adjusted gross income, Income tax before credits, Total, Credit for the elderly, Foreign tax credit, Tax credits, Investment credit, Business energy investment credit, Political contributions credit. Rows include 'All returns, total' and 'Total nontaxable returns' with various income brackets.

Footnotes at end of table



**Table 3.6 — Returns With Earned Income Credit: Earned Income by Type and Credit Before and After Phaseout, 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				Earned income				Earned income credit				
	Total	Joint returns	Returns of heads of households	Adjusted gross income less deficit	Total		Salaries and wages		Self-employment income (net)		Before phaseout	After phaseout	
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Total</b>	<b>7,134,756</b>	<b>3,311,172</b>	<b>3,773,820</b>	<b>41,985,639</b>	<b>42,066,347</b>	<b>6,677,910</b>	<b>39,605,150</b>	<b>1,019,518</b>	<b>2,463,197</b>	<b>4,203,696</b>	<b>2,051,945</b>	<b>3,454,384</b>	<b>495,500</b>
No adjusted gross income	57,055	53,680	3,340	-928,193	184,972	30,246	97,545	51,570	87,427	18,481	14,826	1,167	1
\$1,000 under \$1,000	211,331	71,822	138,906	122,326	140,820	189,727	146,297	33,252	-5,476	13,962	13,402	—	—
\$1,000 under \$2,000	341,867	117,458	224,055	520,374	540,617	310,746	528,381	49,700	-2,235	53,902	53,450	—	—
\$2,000 under \$3,000	494,352	177,911	312,528	1,225,932	1,225,932	456,147	1,161,031	61,772	64,070	122,801	126,664	—	—
\$3,000 under \$4,000	580,488	231,495	340,388	2,051,749	2,039,685	535,799	1,862,276	32,726	147,409	200,718	193,094	18,108	923
\$4,000 under \$5,000	699,641	257,184	315,964	3,153,904	3,108,248	646,647	2,881,148	102,041	227,101	310,522	300,181	178,152	11,428
\$5,000 under \$6,000	838,948	336,084	495,882	4,629,741	4,535,626	784,433	4,200,866	124,413	334,740	453,193	400,603	358,131	53,856
\$6,000 under \$7,000	938,952	458,752	496,320	6,220,826	6,076,200	903,834	5,721,670	123,880	354,530	607,190	405,882	513,361	97,927
\$7,000 under \$8,000	1,019,520	510,929	501,975	7,641,354	7,460,101	969,609	7,021,188	138,527	412,912	745,565	308,044	734,195	148,344
\$8,000 under \$9,000	989,408	538,768	444,479	8,409,002	8,141,173	947,212	7,717,305	124,357	423,869	813,677	181,488	812,548	131,695
\$9,000 under \$10,000	942,191	557,089	376,751	8,938,623	8,645,804	903,510	8,241,423	118,010	404,381	864,165	59,612	839,722	51,327

Size of adjusted gross income	Earned income credit—Continued				Income tax before credits				Income tax after credits				Advance earned income credit payments			
	Used to offset all other taxes	Refundable portion	Returns with wholly refundable earned income credit		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			Number of returns	Amount												
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
<b>Total</b>	<b>733,611</b>	<b>161,084</b>	<b>5,119,516</b>	<b>1,395,361</b>	<b>3,061,117</b>	<b>964,017</b>	<b>3,597,258</b>	<b>1,110,626</b>	<b>1,753,946</b>	<b>542,799</b>	<b>24,098</b>	<b>3,746</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
No adjusted gross income	50,125	8,992	47,468	5,833	6,930	2,117	4,571	—	—	—	—	—	—	—	—	—
\$1,000 under \$1,000	17,237	1,627	208,932	11,775	194,094	11,164	—	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000	34,380	3,976	341,017	48,174	307,487	46,554	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$3,000	50,789	7,799	492,765	112,865	443,566	108,903	—	—	—	—	—	—	—	—	—	—
\$3,000 under \$4,000	79,022	16,939	576,176	177,229	484,345	163,505	19,738	1,004	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	91,672	25,120	691,711	263,634	436,832	186,313	187,560	12,215	—	—	—	—	—	—	—	—
\$5,000 under \$6,000	107,896	33,065	313,682	390,502	390,502	185,337	369,822	57,111	—	—	—	—	—	—	—	—
\$6,000 under \$7,000	109,616	30,608	868,351	277,348	158,814	367,195	537,950	109,991	—	—	—	—	—	—	—	—
\$7,000 under \$8,000	99,631	20,957	656,015	136,744	227,400	71,530	763,721	206,570	—	—	—	—	—	—	—	—
\$8,000 under \$9,000	64,960	9,692	315,034	40,101	131,655	24,908	844,685	309,809	—	—	—	—	—	—	—	—
\$9,000 under \$10,000	37,283	2,309	103,166	5,976	71,111	4,873	873,325	413,861	—	—	—	—	—	—	—	—

\*Estimate should be used with caution because of small number of sample returns on which it is based  
NOTE: Detail may not add to total because of rounding



**Table 3.7 — Returns With Regular Tax Preferences: Selected Sources of Income, Tax Items, Tax Preferences, and Computation of Minimum Tax, 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		Business and profession, net profit less loss		Farm net profit less loss		Total net gain		Net long-term capital gains in adjusted gross income		Net long-term capital gains excluded from adjusted gross income	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Total</b>	<b>157,402</b>	<b>19,117,580</b>	<b>119,441</b>	<b>9,723,525</b>	<b>59,259</b>	<b>1,076,109</b>	<b>15,528</b>	<b>-318,579</b>	<b>121,328</b>	<b>4,903,044</b>	<b>90,808</b>	<b>4,513,206</b>	<b>90,672</b>	<b>6,595,724</b>		
No adjusted gross income	5,249	-1,027,642	3,515	207,964	3,169	-175,931	1,468	-94,716	3,760	293,851	3,592	260,917	3,592	367,760		
\$1 under \$10,000	4,020	18,025	3,036	45,192	1,686	-1,507	78	-1,866	2,288	40,521	1,855	36,206	1,855	48,488		
\$10,000 under \$15,000	3,993	40,606	2,347	50,767	1,770	15,912	1,299	-324	2,274	14,660	825	14,962	825	18,980		
\$15,000 under \$20,000	3,994	64,502	1,070	35,893	1,216	16,007	1,151	-1,025	3,916	26,483	2,296	24,000	2,296	33,912		
\$20,000 under \$30,000	14,195	362,294	10,717	306,035	7,608	14,925	4,481	-12,478	7,943	96,052	6,557	84,311	6,557	115,308		
\$30,000 under \$50,000	28,831	1,143,238	22,311	928,928	9,156	121,968	2,311	-19,995	20,434	186,956	15,029	174,521	14,962	217,776		
\$50,000 under \$100,000	44,142	3,145,447	34,019	2,165,174	14,558	233,751	4,516	-35,803	34,422	440,335	25,221	384,980	25,154	543,947		
\$100,000 under \$200,000	32,775	4,526,107	25,901	2,762,980	11,991	280,082	3,697	-25,777	27,150	596,733	20,161	513,686	20,160	751,953		
\$200,000 under \$500,000	16,014	4,784,875	12,758	2,087,776	6,152	207,560	2,074	-55,876	14,574	832,212	11,440	755,417	11,440	1,119,079		
\$500,000 under \$1,000,000	3,294	2,211,267	2,583	661,091	1,319	92,092	530	-25,198	3,122	563,417	2,572	523,401	2,570	779,266		
\$1,000,000 or more	1,495	3,848,861	1,184	471,725	644	253,250	262	-45,522	1,445	1,811,825	1,260	1,740,804	1,261	2,599,255		

Size of adjusted gross income	Dividends in adjusted gross income		Interest received		Rental net income less loss		Royalty net income less loss		Partnership net income less loss		Total		Itemized deductions	
	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Total</b>	<b>102,158</b>	<b>3,191,401</b>	<b>146,916</b>	<b>2,006,425</b>	<b>75,619</b>	<b>-53,239</b>	<b>30,930</b>	<b>1,132,967</b>	<b>114,601</b>	<b>-2,325,380</b>	<b>139,347</b>	<b>4,945,590</b>	<b>133,271</b>	<b>1,236,724</b>
No adjusted gross income	2,709	85,443	4,987	116,852	2,627	-75,378	989	9,167	4,047	-678,957	—	—	—	—
\$1 under \$10,000	409	3,376	2,134	21,656	1,665	-13,688	108	1,295	3,984	-39,208	1,675	21,165	1,298	1,717
\$10,000 under \$15,000	377	7,739	3,708	6,977	698	-3,057	1,101	-3,393	1,119	-35,405	3,183	22,459	2,698	1,280
\$15,000 under \$20,000	3,321	37,911	3,708	12,810	1,825	-3,705	1,135	-4,099	2,617	-42,763	2,681	24,740	2,623	3,566
\$20,000 under \$30,000	5,411	27,671	13,391	40,141	8,167	-28,502	1,353	15,958	10,312	-99,745	11,468	109,523	10,771	10,649
\$30,000 under \$50,000	15,783	81,092	26,364	137,353	13,530	-24,711	4,438	82,168	17,833	-320,351	26,727	366,232	24,942	52,760
\$50,000 under \$100,000	28,942	297,026	42,391	340,687	21,134	-40,078	9,286	242,404	30,902	-495,593	41,273	794,712	39,728	124,123
\$100,000 under \$200,000	26,597	579,076	31,913	391,470	15,821	-28,665	7,997	251,233	26,551	-421,592	31,760	1,061,721	31,007	200,307
\$200,000 under \$500,000	14,306	874,574	15,728	436,035	8,529	82,194	4,862	277,882	13,786	-176,915	15,823	1,101,977	15,511	292,985
\$500,000 under \$1,000,000	3,073	512,599	3,262	197,931	1,788	14,053	1,101	111,853	2,916	-17,084	3,270	528,439	3,218	185,049
\$1,000,000 or more	1,430	720,661	1,490	304,519	825	10,917	560	143,959	1,334	2,233	1,487	914,621	1,474	364,287

Footnote(s) at end of table

**Table 3.7 — Returns With Regular Tax Preferences: Selected Sources of Income, Tax Items, Tax Preferences, and Computation of Minimum Tax, by Size of Adjusted Gross Income — Continued**

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

Size of adjusted gross income	Itemized deductions—Continued				Income subject to tax		Income tax before credits		Income tax after credits		Computation of minimum tax			
	Interest paid deduction		Miscellaneous deductions (excluding casualty and theft loss)		Number of returns with no income	Amount	Number of returns	Amount	Number of returns	Amount	Tax preferences			
	Number of returns	Amount	Number of returns	Amount							Total	Accelerated depreciation		
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
<b>Total</b> .....	<b>126,479</b>	<b>1,760,182</b>	<b>109,730</b>	<b>359,318</b>	<b>10,061</b>	<b>147,341</b>	<b>14,946,958</b>	<b>144,950</b>	<b>7,270,256</b>	<b>137,177</b>	<b>6,865,731</b>	<b>4,213,539</b>	<b>78,011</b>	<b>690,065</b>
No adjusted gross income	1,612	13,686	1,064	473	5,249	2,343	7,306	5	62	0	15	261,096	2,747	81,582
\$1 under \$10,000	3,126	11,513	2,634	3,226	1,677	3,049	21,667	671	200	2,289	11	47,866	2,482	12,326
\$10,000 under \$15,000	2,678	10,958	2,004	1,436	344	3,049	21,667	2,859	1,817	2,289	11	47,866	3,364	12,326
\$15,000 under \$20,000	10,948	61,020	8,632	5,215	325	3,669	37,311	13,863	43,652	12,934	45,539	159,668	4,366	40,245
\$20,000 under \$30,000	24,235	186,607	19,418	16,245	1,361	27,450	786,009	27,206	171,002	24,361	192,893	354,244	14,099	54,361
\$30,000 under \$50,000	37,368	340,292	33,114	61,054	380	43,762	2,281,769	43,743	739,107	41,406	670,470	897,564	19,622	117,397
\$50,000 under \$100,000	28,410	411,072	25,726	76,728	271	32,504	3,383,792	32,485	1,471,015	32,168	1,370,329	906,598	17,163	166,118
\$100,000 under \$200,000	13,918	373,534	12,908	90,765	97	15,917	3,618,781	15,884	1,931,727	15,735	1,824,461	810,471	8,424	124,579
\$200,000 under \$500,000	2,862	145,310	2,752	43,824	20	3,274	1,662,403	3,270	992,269	3,261	940,451	335,851	1,859	44,815
\$500,000 under \$1,000,000	1,322	205,988	1,278	58,552	5	1,490	2,922,670	1,490	1,914,727	1,483	1,856,034	371,870	845	35,781

Size of adjusted gross income	Accelerated depreciation—Continued				Leased personal property		Total		Amortization		Of on-the-job training facilities			
	Low income rental housing		Other real property		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	Number of returns	Amount	Number of returns	Amount									Number of returns	Amount
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
<b>Total</b> .....	<b>10,832</b>	<b>142,559</b>	<b>63,888</b>	<b>386,662</b>	<b>19,293</b>	<b>160,844</b>	<b>286</b>	<b>1,552</b>	<b>157</b>	<b>1,086</b>	<b>42</b>	<b>415</b>	<b>85</b>	<b>45</b>
No adjusted gross income	557	18,307	2,333	50,624	401	12,651	11	..	..	..	..	..	..	..
\$1 under \$10,000	36	321	2,437	11,330	131	877	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	23	376	576	3,069	348	4,378	..	..	..	..	..	..	..	..
\$15,000 under \$20,000	86	1,945	1,977	2,854	1,367	37	..	..	..	..	..	..	..	..
\$20,000 under \$30,000	765	17,858	5,757	17,450	2,309	4,937	..	..	..	..	..	..	..	..
\$30,000 under \$50,000	1,277	10,422	12,122	36,085	2,051	7,854	..	..	..	..	..	..	..	..
\$50,000 under \$100,000	2,683	20,598	15,135	63,622	5,413	33,477	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	4,189	24,309	14,172	82,150	6,022	49,060	..	..	..	..	..	..	..	..
\$200,000 under \$500,000	1,545	25,585	7,161	62,711	2,147	32,283	..	..	..	..	..	..	..	..
\$500,000 under \$1,000,000	372	1,930	1,600	27,171	143	10,564	..	..	..	..	..	..	..	..
\$1,000,000 or more	148	5,159	746	25,596	194	5,026	3	12	..	..	..	..	..	..

Footnote(s) at end of table

**Table 3.7 — Returns With Regular Tax Preferences: Selected Sources of Income, Tax Items, Tax Preferences, and Computation of Minimum Tax, 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	Computation of minimum tax—Continued										Recomputed tax preference income	
	Tax preferences—Continued					Tax preferences—Continued					Number of returns	Amount
	Stock options	Bad debt reserves	Depletion	Intangible drilling costs	Type not reported	Number of returns	Amount	Number of returns	Amount	Number of returns		
(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	
<b>Total</b>	<b>11,001</b>	<b>300,996</b>	<b>*97</b>	<b>*193</b>	<b>56,364</b>	<b>1,406,527</b>	<b>53,267</b>	<b>1,357,911</b>	<b>13,994</b>	<b>456,294</b>	<b>156,548</b>	<b>4,194,152</b>
No. adjusted gross income	4	416			1,020	18,743	1,853	103,222	856	57,133	5,202	246,631
\$1 under \$10,000	*315	*11,770			613	3,868	215	7,526	839	12,822	4,020	47,687
\$10,000 under \$15,000	*1,344	*146			1,390	4,039	242	4,945	1,861	12,659	3,393	25,961
\$15,000 under \$20,000		*561			419	3,029	359	13,344	1,306	35,928	3,994	32,073
\$20,000 under \$30,000					1,193	39,294	5,514	63,773	1,305	35,813	14,159	152,970
\$30,000 under \$50,000	*2,262	*30,673			7,084	72,453	6,229	97,291	4,294	99,466	28,074	352,122
\$50,000 under \$100,000	4,443	103,205			16,643	221,059	16,471	365,364	2,832	89,560	44,141	895,479
\$100,000 under \$200,000	1,739	78,697			14,893	309,234	13,232	298,711	1,077	53,503	32,774	906,508
\$200,000 under \$500,000	70	61,218		*193	8,726	351,704	6,796	226,697	414	46,124	16,005	810,362
\$500,000 under \$1,000,000	19	11,597			1,928	173,538	1,457	88,516	85	17,300	3,294	335,850
\$1,000,000 or more		2,713			943	212,383	699	88,388	36	32,407	1,495	371,870

Size of adjusted gross income	Computation of minimum tax—Continued										Net operating loss credit			
	Exclusion					Tax preferences subject to tax					Net operating loss		Net operating loss credit	
	Standard exclusion	All taxes	Income tax after credits	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)
<b>Total</b>	<b>6,832,632</b>	<b>97,662</b>	<b>663,232</b>	<b>58,891</b>	<b>6,169,401</b>	<b>58,739</b>	<b>6,131,502</b>	<b>75,577</b>	<b>2,123,446</b>	<b>318,444</b>	<b>1,492</b>	<b>422,777</b>	<b>1,410</b>	<b>13,673</b>
No. adjusted gross income	46,044	5,175	44,716	27	1,328			3,659	201,401	30,194	1,419	412,958	1,358	13,086
\$1 under \$10,000	23,619	4,020	23,619					2,257	24,058	3,609				
\$10,000 under \$15,000	16,084	3,393	16,084					1,877	9,976	1,577				
\$15,000 under \$20,000	7,708	3,994	90,638					847	14,965	2,154				
\$20,000 under \$30,000	90,633	14,156	90,638					7,830	78,977	11,835				
\$30,000 under \$50,000	183,375	28,073	183,348					13,474	168,760	25,308				
\$50,000 under \$100,000	539,690	32,556	239,423	11,585	300,266			26,124	551,247	82,675				
\$100,000 under \$200,000	1,334,596	5,195	39,205	27,579	1,295,391			14,086	452,246	67,830				
\$200,000 under \$500,000	1,800,476	975	7,510	15,030	1,792,966			4,675	356,194	53,427				
\$500,000 under \$1,000,000	939,070	95	740	3,202	938,329			759	139,183	20,862				
\$1,000,000 or more	1,841,338	30	244	1,465	1,841,034			289	127,128	19,069				

Footnotes at end of table

**Table 3.7 — Returns With Regular Tax Preferences: Selected Sources of Income, Tax Items, Tax Preferences, and Computation of Minimum Tax, 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	Computation of minimum tax — Continued											
	Net tentative minimum tax*		Minimum tax deferred from prior years		Tentative minimum tax before credits		Unused tax credits		Reported on Form 4625		Minimum tax	
	Number of returns (85)	Amount (86)	Number of returns (87)	Amount (88)	Number of returns (89)	Amount (90)	Number of returns (91)	Amount (92)	Number of returns (93)	Amount (94)	Number of returns (95)	Amount (96)
<b>Total</b>	<b>74,160</b>	<b>304,771</b>	<b>1,532</b>	<b>6,956</b>	<b>74,585</b>	<b>311,727</b>	<b>3,303</b>	<b>528</b>	<b>74,423</b>	<b>311,199</b>	<b>74,421</b>	<b>309,248</b>
No adjusted gross income	2,556	17,108	399	2,981	2,705	20,089	651	136	2,791	19,952	2,839	19,911
\$1 under \$10,000	2,246	3,997	678	573	2,318	4,168	351	34	2,318	4,135	2,257	4,028
\$10,000 under \$15,000	1,577	1,478	5	4	1,577	1,480	198	51	1,500	1,428	1,549	1,453
\$15,000 under \$20,000	847	2,154	5	4	852	2,158	218	19	852	2,139	852	2,139
\$20,000 under \$30,000	7,821	11,809	3	20	7,824	11,829	280	10	7,761	11,819	7,453	11,347
\$30,000 under \$50,000	13,473	25,306	194	441	13,480	25,747	570	99	13,480	25,649	14,098	25,602
\$50,000 under \$100,000	25,854	82,374	78	789	25,887	83,163	532	100	25,877	83,063	25,638	82,928
\$100,000 under \$200,000	14,064	67,629	83	411	14,088	68,040	308	32	14,087	68,008	13,976	67,402
\$200,000 under \$500,000	4,675	53,404	63	638	4,706	54,042	178	44	4,699	53,998	4,709	53,456
\$500,000 under \$1,000,000	758	20,853	14	546	763	21,399	9	1	763	21,399	764	21,430
\$1,000,000 or more	299	19,059	15	553	295	19,611	8	1	295	19,610	294	19,550

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

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

NOTE: Detail may not add to total because of rounding

**Table 3.8 — Returns With Either Alternative Tax Preferences or Alternative Minimum Tax: Selected Sources of Income and Computation of Alternative Minimum Tax, 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		Business and profession net profit less loss		Farm net profit less loss	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b> .....	<b>341,587</b>	<b>22,710,571</b>	<b>207,982</b>	<b>7,374,355</b>	<b>102,754</b>	<b>902,334</b>	<b>82,873</b>	<b>- 146,134</b>
No adjusted gross income	11,960	- 945,794	6,401	167,187	4,267	- 210,565	5,594	- 300,714
\$1 under \$10,000	13,301	76,316	5,630	74,761	3,565	- 25,310	4,322	- 100,129
\$10,000 under \$15,000	17,845	219,622	6,898	79,606	4,364	- 7,264	4,779	- 49,761
\$15,000 under \$20,000	17,258	305,563	10,551	153,809	4,406	1,489	6,735	- 69,346
\$20,000 under \$30,000	60,526	1,557,513	35,295	428,890	16,525	43,979	18,945	149,725
\$30,000 under \$50,000	98,892	3,811,672	56,164	1,272,438	31,274	405,007	24,875	261,742
\$50,000 under \$100,000	75,386	5,194,939	52,979	2,035,680	23,679	331,160	11,838	82,535
\$100,000 under \$200,000	30,707	4,179,238	22,242	1,606,049	9,633	204,269	3,807	- 33,565
\$200,000 under \$500,000	12,202	3,609,216	9,119	1,046,534	3,839	94,131	1,635	- 39,763
\$500,000 under \$1,000,000	2,398	1,610,114	1,830	305,476	801	6,630	360	- 16,009
\$1,000,000 or more	1,112	3,092,171	873	203,923	401	58,806	183	- 30,907

Size of adjusted gross income	Sales of capital assets						Dividends in adjusted gross income	
	Total net gain		Net long-term capital gains in adjusted gross income		Net long-term capital gains excluded from adjusted gross income		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
<b>Total</b> .....	<b>315,419</b>	<b>11,027,706</b>	<b>314,662</b>	<b>10,522,992</b>	<b>314,661</b>	<b>15,738,884</b>	<b>143,635</b>	<b>2,641,775</b>
No adjusted gross income	11,917	639,452	11,917	598,611	11,917	891,375	3,175	78,662
\$1 under \$10,000	12,110	192,140	12,110	183,680	12,110	275,314	384	4,830
\$10,000 under \$15,000	17,791	246,749	17,791	229,679	17,791	342,887	4,382	14,751
\$15,000 under \$20,000	17,141	233,728	17,129	227,294	17,129	340,780	4,648	9,337
\$20,000 under \$30,000	56,609	666,830	56,609	660,166	56,609	987,682	14,665	73,320
\$30,000 under \$50,000	86,581	1,311,349	86,367	1,263,113	86,367	1,885,395	35,294	179,521
\$50,000 under \$100,000	69,549	1,697,072	69,116	1,604,492	69,116	2,397,064	44,079	446,254
\$100,000 under \$200,000	28,595	1,488,581	28,568	1,398,788	28,568	2,091,792	23,242	509,320
\$200,000 under \$500,000	11,723	1,563,595	11,660	1,484,573	11,660	2,222,852	10,550	567,122
\$500,000 under \$1,000,000	2,315	857,656	2,309	822,891	2,308	1,231,978	2,176	307,025
\$1,000,000 or more	1,068	2,130,554	1,086	2,049,704	1,086	3,071,765	1,040	451,633

Size of adjusted gross income	Interest received		Rent net income less loss		Royalty net income less loss		Partnership net income less 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)
<b>Total</b> .....	<b>309,279</b>	<b>3,124,587</b>	<b>153,503</b>	<b>- 320,016</b>	<b>25,825</b>	<b>270,558</b>	<b>111,840</b>	<b>- 1,418,699</b>
No adjusted gross income	8,802	129,713	4,642	- 84,712	852	10,241	6,711	- 578,512
\$1 under \$10,000	10,666	31,835	8,320	- 49,689	549	6,217	1,647	- 22,559
\$10,000 under \$15,000	16,380	77,926	7,843	- 53,682	*2,338	*3,722	3,310	- 41,894
\$15,000 under \$20,000	14,990	67,641	8,202	- 35,258	*226	*214	3,516	- 29,723
\$20,000 under \$30,000	52,505	279,469	27,182	- 30,104	3,564	29,617	13,431	- 37,076
\$30,000 under \$50,000	88,102	475,962	40,329	- 63,840	5,791	26,054	23,461	- 101,638
\$50,000 under \$100,000	72,530	696,520	34,337	- 24,419	5,500	23,229	29,951	- 163,659
\$100,000 under \$200,000	29,863	523,612	14,735	- 3,791	3,960	52,216	18,777	- 161,620
\$200,000 under \$500,000	11,972	416,858	6,096	33,483	2,193	51,200	8,410	- 138,716
\$500,000 under \$1,000,000	2,367	166,803	1,228	- 3,971	548	29,523	1,766	- 60,737
\$1,000,000 or more	1,102	258,247	589	- 4,032	304	45,769	860	- 82,565

Size of adjusted gross income	Itemized deductions							
	Total		Contributions deduction		Interest paid deduction		Miscellaneous deductions (excluding casualty and theft loss)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	
<b>Total</b> .....	<b>236,136</b>	<b>6,107,883</b>	<b>224,606</b>	<b>1,352,350</b>	<b>197,612</b>	<b>2,399,376</b>	<b>175,674</b>	<b>405,839</b>
No adjusted gross income	—	—	—	—	—	—	—	—
\$1 under \$10,000	5,201	65,740	4,720	2,215	5,105	48,202	3,849	1,291
\$10,000 under \$15,000	9,870	91,686	8,906	7,316	8,690	50,798	6,020	6,504
\$15,000 under \$20,000	10,894	97,264	9,611	18,979	5,911	31,615	5,831	2,305
\$20,000 under \$30,000	29,113	327,136	27,753	40,389	26,512	169,560	19,357	13,688
\$30,000 under \$50,000	71,265	794,154	68,338	124,555	57,688	327,893	51,412	32,338
\$50,000 under \$100,000	65,321	1,251,070	62,144	196,512	54,879	534,625	50,970	83,826
\$100,000 under \$200,000	29,059	1,154,081	26,202	223,537	25,431	486,539	23,309	83,094
\$200,000 under \$500,000	11,927	1,007,912	11,524	244,242	10,322	388,143	9,914	86,384
\$500,000 under \$1,000,000	2,379	467,374	2,320	151,402	2,097	155,222	2,045	41,708
\$1,000,000 or more	1,107	851,467	1,088	343,202	979	206,778	967	54,703

Footnote(s) at end of table

Table 3.8 — Returns With Either Alternative Tax Preferences or Alternative Minimum Tax: Selected Sources of Income and Computation of Alternative Minimum Tax, 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	Number of returns with no taxable income	Income subject to tax		Income tax before credits		Income tax after credits	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
		(33)	(35)	(36)	(37)	(38)	(39)
<b>Total</b> .....	<b>26,612</b>	<b>314,975</b>	<b>16,488,754</b>	<b>305,680</b>	<b>6,688,544</b>	<b>254,196</b>	<b>5,843,336</b>
No adjusted gross income	11,960	—	—	34	376	*30	*327
\$1 under \$10,000	5,108	8,193	31,025	4,162	2,170	*3,192	*1,964
\$10,000 under \$15,000	2,138	15,707	117,911	13,798	12,827	12,447	9,997
\$15,000 under \$20,000	1,033	16,225	183,363	15,733	23,863	12,122	16,572
\$20,000 under \$30,000	2,331	58,195	1,111,733	56,268	193,915	42,565	130,523
\$30,000 under \$50,000	1,520	97,372	2,739,773	96,885	604,598	74,395	397,402
\$50,000 under \$100,000	1,553	73,833	3,672,959	73,483	1,150,689	65,337	931,412
\$100,000 under \$200,000	708	29,999	2,850,547	29,916	1,216,259	28,940	1,046,709
\$200,000 under \$500,000	208	11,994	2,457,531	11,949	1,322,457	11,738	1,233,099
\$500,000 under \$1,000,000	44	2,354	1,102,938	2,349	675,126	2,335	635,140
\$1,000,000 or more	9	1,103	2,220,973	1,103	1,486,265	1,095	1,440,190

Size of adjusted gross income	Computation of alternative minimum tax						
	Total	Alternative tax preferences				Adjusted taxable income	
		Itemized deductions tax preference		Capital gains		Number of returns	Amount
		Number of returns	Amount	Number of returns	Amount		
(40)	(41)	(42)	(43)	(44)	(45)	(46)	
<b>Total</b> .....	<b>16,267,596</b>	<b>34,179</b>	<b>585,397</b>	<b>313,991</b>	<b>15,682,199</b>	<b>305,505</b>	<b>16,428,650</b>
No adjusted gross income	958,752	2,747	65,677	11,891	893,074	—	—
\$1 under \$10,000	283,389	5,048	32,788	11,881	250,601	4,161	14,138
\$10,000 under \$15,000	363,138	2,804	20,243	17,790	342,895	13,798	74,699
\$15,000 under \$20,000	349,889	1,567	9,132	17,129	340,756	15,733	152,261
\$20,000 under \$30,000	1,033,905	6,307	46,349	56,609	987,556	56,247	988,269
\$30,000 under \$50,000	1,918,384	6,090	40,759	86,165	1,877,625	96,884	2,616,807
\$50,000 under \$100,000	2,478,536	4,611	93,824	68,932	2,384,712	73,409	3,692,628
\$100,000 under \$200,000	2,188,638	3,250	99,822	28,554	2,088,817	29,872	2,937,393
\$200,000 under \$500,000	2,307,824	1,352	89,227	11,651	2,218,597	11,949	2,573,771
\$500,000 under \$1,000,000	1,269,767	282	40,046	2,305	1,229,721	2,349	1,140,257
\$1,000,000 or more	3,115,374	121	47,530	1,084	3,067,844	1,103	2,238,428

Size of adjusted gross income	Computation of alternative minimum tax—Continued							
	Alternative minimum taxable income							
	Total		Subject to tax at 0 percent			Subject to tax at 10 percent		
	Number of returns	Amount	Tax generated	Number of returns	Amount	Number of returns	Amount	Tax generated
(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	
<b>Total</b> .....	<b>337,726</b>	<b>32,037,266</b>	<b>5,043,642</b>	<b>337,726</b>	<b>6,534,465</b>	<b>312,441</b>	<b>7,694,282</b>	<b>769,342</b>
No adjusted gross income	9,330	459,784	59,973	9,330	145,199	5,842	107,363	10,735
\$1 under \$10,000	12,293	273,908	11,323	12,293	191,996	4,877	58,354	5,834
\$10,000 under \$15,000	17,845	421,649	11,965	17,845	313,993	11,216	97,518	9,747
\$15,000 under \$20,000	17,258	488,682	18,132	17,258	329,005	15,884	143,004	14,294
\$20,000 under \$30,000	60,320	2,001,424	93,453	60,320	1,172,042	56,670	739,029	73,877
\$30,000 under \$50,000	98,878	4,522,209	307,644	98,878	1,951,699	96,561	2,088,221	208,790
\$50,000 under \$100,000	75,385	6,139,834	700,769	75,385	1,504,723	74,975	2,625,619	262,549
\$100,000 under \$200,000	30,707	5,104,135	687,193	30,707	612,650	30,707	1,209,125	120,912
\$200,000 under \$500,000	12,200	4,868,378	1,059,207	12,200	243,399	12,199	486,584	48,658
\$500,000 under \$1,000,000	2,398	2,404,911	570,249	2,398	47,680	2,398	95,304	9,530
\$1,000,000 or more	1,112	5,352,351	1,323,735	1,112	22,080	1,112	44,160	4,416

Size of adjusted gross income	Computation of alternative minimum tax—Continued						
	Alternative minimum taxable income—Continued						
	Subject to tax at 20 percent			Subject to tax at 25 percent			
	Number of returns	Amount	Tax generated	Number of returns	Amount	Tax generated	
(55)	(56)	(57)	(58)	(59)	(60)		
<b>Total</b> .....	<b>121,196</b>	<b>3,555,634</b>	<b>711,102</b>	<b>61,654</b>	<b>14,252,886</b>	<b>3,563,198</b>	
No adjusted gross income	1,702	51,336	10,267	866	155,886	38,971	
\$1 under \$10,000	481	7,990	1,598	108	15,569	3,692	
\$10,000 under \$15,000	212	6,314	1,263	75	3,823	956	
\$15,000 under \$20,000	216	6,612	1,322	129	10,061	2,515	
\$20,000 under \$30,000	4,304	60,225	12,044	698	30,128	7,532	
\$30,000 under \$50,000	21,782	434,180	86,827	1,363	48,109	12,027	
\$50,000 under \$100,000	47,372	1,282,667	256,525	19,217	726,806	181,694	
\$100,000 under \$200,000	29,438	1,085,948	217,187	23,808	2,196,412	549,094	
\$200,000 under \$500,000	12,181	480,923	96,184	11,883	3,657,473	914,364	
\$500,000 under \$1,000,000	2,396	2,396	19,052	2,395	2,166,669	541,666	
\$1,000,000 or more	1,112	44,160	8,832	1,112	5,241,951	1,310,487	

Footnote(s) at end of table

**Table 3.8 — Returns With Either Alternative Tax Preferences or Alternative Minimum Tax: Selected Sources of Income and Computation of Alternative Minimum Tax, 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	Computation of alternative minimum tax — Continued					
	Reduction due to —					
	All taxes		Income tax after credits		Minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(61)	(62)	(63)	(64)	(65)	(66)	
<b>Total</b> .....	<b>261,838</b>	<b>4,146,225</b>	<b>242,720</b>	<b>4,068,763</b>	<b>7,448</b>	<b>41,968</b>
No adjusted gross income	1,533	4,774	*11	*37	662	3,302
\$1 under \$10,000	532	945	*69	*1	135	672
\$10,000 under \$15,000	8,247	4,425	7,567	3,865	*81	*347
\$15,000 under \$20,000	12,345	9,291	11,117	7,097	*47	*219
\$20,000 under \$30,000	45,776	57,250	41,556	53,486	312	1,308
\$30,000 under \$50,000	80,801	208,083	73,102	196,594	927	1,349
\$50,000 under \$100,000	67,588	524,225	65,212	509,892	2,206	7,489
\$100,000 under \$200,000	29,555	697,280	28,898	680,991	1,822	9,985
\$200,000 under \$500,000	11,985	897,040	11,738	865,767	1,000	8,775
\$500,000 under \$1,000,000	2,368	505,083	2,335	499,288	184	4,207
\$1,000,000 or more	1,108	1,237,830	1,095	1,231,744	72	4,315

Size of adjusted gross income	Computation of alternative minimum tax—Continued							
	Alternative minimum tax before credit		Excess foreign tax credit		Alternative minimum tax after credit			
	Number of returns	Amount	Number of returns	Amount	Reported on Form 6251		Reported on Form 1040	
					Number of returns	Amount	Number of returns	Amount
(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	
<b>Total</b> .....	<b>154,418</b>	<b>897,417</b>	<b>3,309</b>	<b>23,201</b>	<b>153,415</b>	<b>874,217</b>	<b>153,265</b>	<b>865,940</b>
No adjusted gross income	5,445	55,199	44	245	5,424	54,954	5,320	50,112
\$1 under \$10,000	4,771	10,379	**15	**53	4,771	10,326	4,770	10,200
\$10,000 under \$15,000	7,854	7,541	**	**	7,854	7,541	7,852	7,567
\$15,000 under \$20,000	7,626	8,841	—	—	7,626	8,841	7,615	8,688
\$20,000 under \$30,000	25,083	36,203	—	—	25,083	36,203	25,417	36,224
\$30,000 under \$50,000	48,927	99,561	*265	*423	48,927	99,138	48,600	97,611
\$50,000 under \$100,000	32,691	176,544	1,223	4,880	32,452	171,663	32,449	171,946
\$100,000 under \$200,000	14,363	169,913	1,043	6,021	13,974	163,892	13,971	163,471
\$200,000 under \$500,000	5,753	162,167	445	4,574	5,641	157,593	5,610	157,053
\$500,000 under \$1,000,000	1,153	65,165	160	4,042	1,127	61,123	1,124	60,211
\$1,000,000 or more	552	65,905	114	2,963	536	82,942	537	82,657

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

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

NOTE: Detail may not add to total because of rounding

Table 3.9 — All Returns: Tax Liability and Taxpayments, by Size of Adjusted Gross Income

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

Table with 15 columns: (1) All returns (number), (2) Total tax liability, (3) Amount, (4) Number of returns, (5) Amount, (6) Number of returns, (7) Amount, (8) Number of returns, (9) Amount, (10) Number of returns, (11) Amount, (12) Number of returns, (13) Amount, (14) Number of returns, (15) Amount. Rows include 'All returns, total', 'No adjusted gross income', 'Taxable returns, total', and 'Total nontaxable returns'.

Footnotes at end of table



Size of adjusted gross income	All other taxes — Continued										Earned income credit used to offset all other taxes			Total			Taxpayments		
	Penalty tax on individual retirement arrangements		Self-employment tax		Social security taxes on tip income		Amount		Number of returns		Amount		Number of returns		Income tax withheld		Estimated tax payments		
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)		
<b>All returns, total</b>	<b>38,282</b>	<b>6,947</b>	<b>75,863</b>	<b>5,441</b>	<b>733,611</b>	<b>161,084</b>	<b>19,537,456</b>	<b>61,384,497</b>	<b>199,631,541</b>	<b>8,095,339</b>	<b>33,707,615</b>	<b>61,384,497</b>	<b>199,631,541</b>	<b>8,095,339</b>	<b>33,707,615</b>	<b>61,384,497</b>	<b>199,631,541</b>	<b>8,095,339</b>	
No adjusted gross income	41	34,619	1,584	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$1,000 under \$1,000	50	346	1,507	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$1,000 under \$2,000	9	154,861	1,507	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$2,000 under \$3,000	503	1,488	3,357	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$3,000 under \$4,000	1,488	272,831	5,388	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$4,000 under \$5,000	1,830	282,024	5,104	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$5,000 under \$6,000	437	282,024	4,426	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$6,000 under \$7,000	—	269,313	3,757	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$7,000 under \$8,000	2,015	255,515	3,596	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$8,000 under \$9,000	444	282,182	1,816	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$9,000 under \$10,000	1,156	251,560	4,495	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$10,000 under \$11,000	1,093	260,919	3,544	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$11,000 under \$12,000	598	232,701	6,994	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$12,000 under \$13,000	578	233,178	12,157	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$13,000 under \$14,000	1,805	249,512	13,086	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$14,000 under \$15,000	1,895	228,917	14,066	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$15,000 under \$16,000	422	248,913	14,298	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$16,000 under \$17,000	1,040	207,732	14,579	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$17,000 under \$18,000	1,040	207,732	14,579	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$18,000 under \$19,000	2,766	209,310	14,678	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$19,000 under \$20,000	54	184,791	13,743	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$20,000 under \$25,000	6,783	860,490	8,129	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$25,000 under \$30,000	4,843	972,578	9,988	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$30,000 under \$40,000	4,975	995,686	5,762	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$40,000 under \$50,000	2,084	251,329	6,579	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$50,000 under \$75,000	1,926	561,336	8,008	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$75,000 under \$100,000	433	84,115	7,166	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$100,000 under \$200,000	299	48,930	310	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$200,000 under \$500,000	33	13,885	275	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$500,000 under \$1,000,000	66	2,324	3,200	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$1,000,000 or more	11	814	1,131	6,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
<b>Taxable returns, total</b>	<b>29,783</b>	<b>5,444</b>	<b>61,383</b>	<b>5,441</b>	<b>733,611</b>	<b>161,084</b>	<b>19,537,456</b>	<b>61,384,497</b>	<b>199,631,541</b>	<b>8,095,339</b>	<b>33,707,615</b>	<b>61,384,497</b>	<b>199,631,541</b>	<b>8,095,339</b>	<b>33,707,615</b>	<b>61,384,497</b>	<b>199,631,541</b>	<b>8,095,339</b>	
No adjusted gross income	3	1,063	6,422	5,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$1,000 under \$2,000	—	183	49	5,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$2,000 under \$3,000	—	—	55	5,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$3,000 under \$4,000	—	—	14,669	5,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$4,000 under \$5,000	—	—	26,357	5,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$5,000 under \$6,000	—	—	1,772	5,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$6,000 under \$7,000	—	—	25,555	5,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$7,000 under \$8,000	—	—	49,008	5,441	733,611	161,084	19,537,456	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	33,707,615	61,384,497	199,631,541	8,095,339	
\$8,000 under \$9,000	265																		

Table 3.9 — All Returns: Tax Liability and Taxpayments, 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	Taxpayments — Continued										Retainable credits					
	Payment with request for extension of filing time		Excess social security taxes withheld		Credits for tax on certain gasoline, fuel, and oil		Credit from regulated investment companies		Other taxpayments		Total		Earned income credit, refundable portion		Business energy investment refundable portion	
	Number of returns (31)	Amount (32)	Number of returns (33)	Amount (34)	Number of returns (35)	Amount (36)	Number of returns (37)	Amount (38)	Number of returns (39)	Amount (40)	Number of returns (41)	Amount (42)	Number of returns (43)	Amount (44)	Number of returns (45)	Amount (46)
<b>All returns, total</b>	<b>490,303</b>	<b>3,243,314</b>	<b>1,312,673</b>	<b>414,687</b>	<b>1,126,132</b>	<b>92,330</b>	<b>21,239</b>	<b>9,206</b>	<b>49,654</b>	<b>10,823</b>	<b>5,121,010</b>	<b>1,398,349</b>	<b>5,119,516</b>	<b>1,395,361</b>	<b>1,495</b>	<b>2,988</b>
No adjusted gross income	7,753	29,453	3,244	1,889	91,760	92,330	24	11	2,141	11,279	114	47,479	5,833	5,833	12	29
\$1 under \$1,000	2,388	1,222	1,911	1,899	17,993	1,169	—	—	2,343	11,775	208,932	8,662	208,932	11,775	5833	29
\$1,000 under \$2,000	4,288	759	9	—	23,965	1,638	—	—	4,107	48,195	341,017	48,195	341,017	48,195	—	20
\$2,000 under \$3,000	4,231	3,312	99	11	39,374	2,202	1,298	20	5,179	112,865	482,765	112,865	482,765	112,865	—	—
\$3,000 under \$4,000	12,169	8,077	—	—	24,248	1,761	—	—	4,936	177,229	576,176	177,229	576,176	177,229	—	—
\$4,000 under \$5,000	4,332	2,210	74	36	24,502	1,751	—	—	8,481	263,634	691,711	263,634	691,711	263,634	—	—
\$5,000 under \$6,000	9,902	3,776	—	—	35,402	1,650	—	—	9,007	313,682	818,881	313,682	818,881	313,682	—	—
\$6,000 under \$7,000	5,625	2,762	169	114	31,611	2,823	526	8	4,818	277,348	868,351	277,348	868,351	277,348	—	—
\$7,000 under \$8,000	6,285	3,467	206	122	26,854	3,343	1,695	8	1,673	138,744	656,015	138,744	656,015	138,744	—	—
\$8,000 under \$9,000	10,300	9,103	112	16	42,059	3,005	—	—	3,006	40,101	315,034	40,101	315,034	40,101	—	—
\$9,000 under \$10,000	9,418	5,142	—	—	26,999	684	1,299	86	4,504	191	103,166	5,976	103,166	5,976	—	—
\$10,000 under \$11,000	6,650	3,966	1,695	180	28,207	2,571	352	5	—	—	—	—	—	—	44	11
\$11,000 under \$12,000	7,793	11,922	471	71	28,972	1,834	—	—	—	—	—	—	—	—	55	2
\$12,000 under \$13,000	11,586	11,222	1,65	16	37,388	2,721	—	—	44	—	—	—	—	—	—	—
\$13,000 under \$14,000	12,625	11,360	667	177	24,795	1,598	—	—	—	—	—	—	—	—	—	—
\$14,000 under \$15,000	11,006	8,36	129	129	33,975	2,109	127	3	—	—	—	—	—	—	—	—
\$15,000 under \$16,000	8,235	11,047	1,740	149	31,780	2,297	—	—	—	—	—	—	—	—	7	8
\$16,000 under \$17,000	11,855	3,767	3,767	655	33,762	2,066	—	—	392	973	—	—	—	—	—	—
\$17,000 under \$18,000	6,712	6,016	7,317	1,524	35,849	1,860	1,682	91	—	—	—	—	—	—	—	—
\$18,000 under \$19,000	5,607	7,071	1,863	328	30,249	1,398	308	678	351	35	—	—	—	—	—	—
\$19,000 under \$20,000	7,602	14,284	1,747	1,533	26,514	1,324	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	42,355	59,447	157,222	14,983	125,318	7,368	1,708	4,008	—	—	—	—	—	—	345	438
\$25,000 under \$30,000	42,120	69,736	330,053	54,254	88,513	8,271	2,295	1,744	—	—	—	—	—	—	64	61
\$30,000 under \$40,000	64,629	146,022	402,476	101,134	142,831	9,367	4,783	90	—	—	—	—	—	—	20	20
\$40,000 under \$50,000	43,305	297,825	122,016	71,046	37,707	3,574	3,024	751	1,458	3,923	—	—	—	—	157	430
\$50,000 under \$75,000	36,643	297,862	122,016	71,046	37,707	3,574	3,024	751	1,458	3,923	—	—	—	—	297	458
\$75,000 under \$100,000	28,205	247,718	39,353	29,845	11,724	1,519	1,234	330	632	1,682	—	—	—	—	33	39
\$100,000 under \$200,000	32,462	547,081	41,785	32,940	14,264	1,927	1,236	329	1,037	1,111	—	—	—	—	136	886
\$200,000 under \$500,000	2,035	312,236	2,058	20,984	3,423	682	661	1,148	27	16	—	—	—	—	66	299
\$500,000 under \$1,000,000	2,934	662,955	2,058	20,984	3,423	682	661	1,148	27	16	—	—	—	—	15	111
\$1,000,000 or more	934	662,955	2,058	20,984	3,423	682	661	1,148	27	16	—	—	—	—	9	204
<b>Taxable returns, total</b>	<b>434,636</b>	<b>3,199,270</b>	<b>1,300,033</b>	<b>409,929</b>	<b>676,420</b>	<b>42,246</b>	<b>20,809</b>	<b>8,244</b>	<b>10,624</b>	<b>7,908</b>	<b>1,356</b>	<b>2,756</b>	<b>1,356</b>	<b>2,756</b>	<b>1,356</b>	<b>2,756</b>
No adjusted gross income	2,147	23,780	557	468	1,160	253	—	—	—	—	—	—	—	—	—	—
\$1 under \$1,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$7,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$7,000 under \$8,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$9,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$9,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$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 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000,000 or more	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total nontaxable returns</b>	<b>55,667</b>	<b>44,044</b>	<b>12,640</b>	<b>4,759</b>	<b>449,712</b>	<b>40,084</b>	<b>430</b>	<b>962</b>	<b>39,030</b>	<b>2,915</b>	<b>5,119,654</b>	<b>1,395,593</b>	<b>5,119,516</b>	<b>1,395,361</b>	<b>1,495</b>	<b>2,988</b>
All returns, summary	35,161	45,034	3,527	1,939	221,842	19,799	1,322	21	25,187	1,742	2,358,084	619,559	2,358,069	619,510	116	49
Under \$5,000	41,530	24,250	387	252	162,925	10,505	3,479	95	21,308	2,333	2,761,447	775,851	2,761,447	775,851	—	—
\$5,000 under \$10,000	49,680	50,568	3,814	573	153,337	10,833	4,791	8	3,479	54	1,083	99	1,083	99	—	—
\$10,000 under \$15,000	37,917	50,274	2,584	412	158,204	9,485	2,000	969	1,008	77	8	8	8	8	—	—
\$15,000 under \$20,000	326,035	3,073,188	2,282,361	407,742	429,824	4,298,24	13,918	1,318	2,373	2,928	—	—	—	—	—	—

**Table 3.9 — All Returns: Tax Liability and Taxpayments, 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	Advance earned income credit payments		Total		Overpayment		Credited to 1980 estimated tax*		Total		Tax due at time of filing		Balance due after remittance	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
<b>All returns, total</b>	<b>29,125</b>	<b>3,902</b>	<b>71,433,691</b>	<b>45,821,372</b>	<b>69,597,003</b>	<b>43,038,511</b>	<b>2,381,122</b>	<b>2,782,861</b>	<b>18,844,060</b>	<b>27,427,573</b>	<b>16,489,664</b>	<b>23,852,389</b>	<b>7,833,066</b>	<b>3,575,184</b>
No adjusted gross income	—	—	25,401	300,721	239,139	262,261	27,036	38,460	52,432	65,661	46,654	47,290	9,915	18,411
\$1 under \$10,000	—	—	2,890,985	15,764,762	1,516,169	1,516,169	17,569	16,938	19,570	17,764	19,204	16,114	12,427	1,650
\$10,000 under \$5,000	—	—	3,915,138	9,435,971	3,896,433	3,896,433	29,887	9,911	219,222	31,571	195,759	27,900	3,769	3,769
\$5,000 under \$10,000	2,137	*293	3,458,236	202,921	3,433,719	3,330,609	39,426	13,825	327,246	45,865	292,803	59,488	66,929	6,337
\$10,000 under \$15,000	—	—	3,155,595	1,279,999	3,117,569	2,600,024	49,603	13,976	514,501	87,278	423,928	71,004	154,391	16,274
\$15,000 under \$20,000	—	—	3,960,479	1,512,022	3,292,674	1,488,674	91,162	23,348	525,795	109,461	430,175	82,802	184,342	26,659
\$20,000 under \$25,000	—	—	3,578,154	1,672,340	3,510,868	1,648,922	86,954	23,418	569,194	137,289	481,905	110,131	193,867	27,098
\$25,000 under \$30,000	—	—	3,538,106	1,532,808	3,232,036	1,504,821	105,496	27,987	612,824	170,748	495,200	128,994	176,966	41,754
\$30,000 under \$35,000	—	—	3,085,473	1,409,850	3,001,146	1,379,575	103,819	30,275	620,402	211,955	523,358	166,144	217,346	45,811
\$35,000 under \$40,000	—	—	2,939,315	1,368,950	2,853,402	1,324,147	104,819	43,303	577,915	229,795	472,120	179,246	230,227	50,549
\$40,000 under \$45,000	—	—	2,558,095	1,260,394	2,488,677	1,226,700	87,442	33,694	580,786	271,874	541,169	211,452	251,443	60,422
\$45,000 under \$50,000	—	—	2,413,274	1,257,336	2,345,922	1,177,401	79,871	39,935	585,334	239,399	481,096	182,620	248,617	56,779
\$50,000 under \$55,000	—	—	2,212,050	1,274,381	2,253,960	1,229,477	87,971	44,904	599,175	273,571	510,311	222,973	256,268	50,558
\$55,000 under \$60,000	—	—	2,162,742	1,206,403	2,111,324	1,174,207	61,043	32,196	547,353	270,770	464,807	207,181	259,227	63,589
\$60,000 under \$65,000	—	—	2,033,593	1,274,602	1,981,554	1,233,328	68,235	41,274	529,066	272,504	430,056	204,388	256,811	66,116
\$65,000 under \$70,000	—	—	1,907,153	1,268,874	1,862,224	1,231,599	60,281	37,275	515,762	305,701	437,251	233,504	230,994	72,196
\$70,000 under \$75,000	—	—	1,825,046	1,259,999	1,768,297	1,216,415	67,268	43,584	514,660	312,138	433,113	234,898	242,004	77,240
\$75,000 under \$80,000	—	—	1,694,085	1,200,923	1,604,353	1,150,923	65,541	53,998	484,455	304,528	419,534	267,056	251,433	77,438
\$80,000 under \$85,000	—	—	1,740,462	1,157,791	1,664,862	1,130,923	65,541	53,998	484,455	304,528	419,534	267,056	251,433	77,438
\$85,000 under \$90,000	—	—	1,604,155	1,321,541	1,604,155	1,271,244	54,525	50,297	481,516	302,374	413,239	234,126	267,909	69,248
\$90,000 under \$95,000	—	—	1,676,698	970,340	1,637,472	906,795	56,608	156,608	2,003,794	1,789,562	2,090,794	1,433,453	1,058,171	365,094
\$95,000 under \$100,000	—	—	4,451,192	4,667,479	4,321,426	4,480,933	174,717	186,545	1,848,730	1,695,384	1,650,693	1,404,339	1,058,171	391,070
\$100,000 under \$105,000	—	—	4,003,314	4,962,521	3,840,848	4,673,979	224,674	288,542	2,427,532	2,138,134	2,240,605	2,749,441	1,233,701	368,652
\$105,000 under \$110,000	—	—	1,127,590	1,934,495	1,027,568	1,177,001	130,081	217,949	1,100,673	3,598,907	1,035,998	3,221,059	427,855	253,447
\$110,000 under \$115,000	—	—	580,855	1,609,547	465,907	1,222,651	152,650	386,996	882,435	3,264,417	836,203	3,121,059	302,110	377,848
\$115,000 under \$120,000	—	—	135,199	645,759	94,964	423,692	53,027	222,066	287,761	2,090,606	271,789	1,900,911	82,028	189,696
\$120,000 under \$125,000	—	—	105,896	828,017	68,248	508,180	51,509	219,838	251,643	3,608,960	239,807	3,369,153	60,444	329,633
\$125,000 under \$130,000	—	—	21,262	359,664	10,257	160,148	13,690	199,516	58,824	2,419,555	56,760	2,268,841	12,179	160,718
\$130,000 under \$135,000	—	—	2,597	103,607	980	34,708	1,966	68,899	7,278	957,287	7,020	906,569	1,504	50,718
\$135,000 under \$140,000	—	—	93,298	317	93,298	28,217	758	68,081	2,649	1,452,317	2,550	1,452,317	584	274,179
<b>Taxable returns, total</b>	<b>12,890</b>	<b>1,047</b>	<b>53,774,336</b>	<b>39,362,992</b>	<b>52,110,967</b>	<b>36,781,145</b>	<b>2,087,081</b>	<b>2,581,846</b>	<b>17,865,069</b>	<b>27,051,290</b>	<b>15,637,704</b>	<b>23,533,902</b>	<b>7,607,201</b>	<b>3,517,348</b>
No adjusted gross income	—	—	24,655	246,655	21,866	212,222	2,533	5,459	5,459	36,730	4,577	36,730	1,691	12,310
\$1 under \$10,000	—	—	1,115	1,920	1,192	1,411	16	16	16	4,303	4,303	4,303	—	—
\$10,000 under \$15,000	—	—	1,895	11,920	1,895	11,920	—	—	96,201	6,605	94,404	6,013	7,011	593
\$15,000 under \$20,000	—	—	4,399	7,193	3,827	6,481	1,684	712	79,487	11,508	71,020	10,144	20,579	1,364
\$20,000 under \$25,000	—	—	5,367	9,435	5,367	9,435	1,845	2,350	225,830	25,438	201,808	21,876	35,638	3,562
\$25,000 under \$30,000	—	—	6,945	683,124	2,072,192	678,945	29,327	4,179	42,961	64,827	356,630	52,825	130,382	12,002
\$30,000 under \$35,000	—	—	2,224,527	746,416	2,224,527	746,416	59,000	11,161	465,217	91,940	378,152	68,647	167,064	23,292
\$35,000 under \$40,000	—	—	2,463,970	854,524	2,463,970	854,524	63,808	15,606	509,287	124,858	428,995	100,240	177,782	24,588
\$40,000 under \$45,000	—	—	2,470,823	842,638	2,470,823	842,638	60,501	19,283	548,127	132,150	438,907	112,921	194,959	39,138
\$45,000 under \$50,000	—	—	2,571,579	1,226,580	2,571,579	1,226,580	69,692	33,574	566,206	211,170	444,132	163,947	231,039	48,323
\$50,000 under \$55,000	—	—	2,004,150	1,133,347	2,004,150	1,133,347	37,523	692,669	265,673	517,717	188,759	241,596	58,062	—
\$55,000 under \$60,000	—	—	2,965,767	1,196,355	2,965,767	1,196,355	72,068	53,243	562,342	226,914	459,477	170,897	265,508	55,095
\$60,000 under \$65,000	—	—	2,272,210	1,179,054	2,212,552	1,179,054	40,828	58,613	586,133	266,248	489,106	219,978	282,880	49,270
\$65,000 under \$70,000	—	—	2,133,454	1,170,955	2,085,081	1,143,873	55,663	26,182	534,735	260,774	483,478	199,715	255,714	61,059
\$70,000 under \$75,000	—	—	2,013,980	1,245,551	1,963,108	1,206,342	65,730	39,210	517,247	263,196	420,138	196,997	263,609	66,199
\$75,000 under \$80,000	—	—	1,887,635	1,228,967	1,844,323	1,197,862	31,105	501,329	393,920	223,743	222,743	229,168	71,177	177,177
\$80,000 under \$85,000	—	—	1,802,497	1,219,379	1,748,456	1,167,939	65,175	41,441	507,157	304,346	426,670	228,364	240,224	75,983
\$85,000 under \$90,000	—	—	1,717,087	1,210,801	1,667,711	1,169,271	63,182	41,530	431,392	333,940	411,208	268,018	240,003	75,921
\$90,000 under \$95,000	—	—	1,735,113	1,315,728	1,686,547	1,268,744	65,067	46,985	487,671	321,734	416,629	254,839	245,347	66,895
\$95,000 under \$100,000	—	—	1,630,865	1,296,264	1,594,216	1,250,438	52,642	47,871	487,761	291,805	406,009	224,120	256,084	67,685
\$100,000 under \$105,000	—	—	1,688,129	5,907,456	6,156,087	5,746,408	202,494	161,048	2,333,339	1,732,050	1,993,505	3,399,592	1,052,273	352,458
\$105,000 under \$110,000	—	—	4,430,741	4,592,329	4,302,211	4,414,345	179,985	1,839,888	1,681,029	1,681,029	1,622,743	1,391,751	895,728	289,278
\$110,000 under \$115,000	—	—	3,892,529	3,827,547	3,827,547	3,827,547	21,215	280,580	2,421,486	3,125,900	2,235,590	2,786,785	1,227,439	386,622
\$115,000 under \$120,000	—	—	1,125,207	1,321,663	1,025,386	1,205,142	129,223	216,521	1,098,664	2,356,090	1,034,013	2,102,679	427,133	253,411
\$120,000 under \$125,000	—	—	1,574,817	462,998	1,574,817	462,998	1,574,817	384,144	881,379	3,995,333	835,069	3,218,367	301,819	376,966
\$125,000 under \$130,000	—	—	138,659	639,456	94,425	418,396	52,939	221,060	287,226	271,410	1,900,183	81,872	189,494	189,494
\$130,000 under \$135,000	—	—	105,369	823,893	68,424	504,319								

Table 3.10 — Returns With Tax Due at Time of Filing: Tax Due by Size

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

Size of tax due	Number of returns	Adjusted gross income less deficit	Total income tax		Additional tax for tax preferences		Total tax liability	Tax due at time of filing	Tax paid with return	
			Number of returns	Amount	Number of returns	Amount			Number of returns	Amount
<b>Total</b> .....	<b>18,844,060</b>	<b>477,272,225</b>	<b>17,865,069</b>	<b>92,940,790</b>	<b>137,238</b>	<b>825,917</b>	<b>97,182,992</b>	<b>27,427,573</b>	<b>16,489,664</b>	<b>23,852,38</b>
\$1 under \$25	963,179	13,673,739	921,117	1,686,535	821	922	1,722,264	11,219	821,260	9,33
\$25 under \$50	988,809	13,092,456	910,241	1,549,768	466	272	1,589,713	36,443	865,535	31,44
\$50 under \$75	894,352	13,209,367	818,873	1,687,625	141	841	1,723,649	55,855	782,525	48,36
\$75 under \$100	768,725	11,653,949	690,440	1,543,730	261	836	1,584,279	66,663	677,612	57,79
\$100 under \$125	745,666	10,814,135	684,063	1,378,443	776	432	1,415,519	83,656	648,269	71,75
\$125 under \$150	678,592	10,690,870	620,605	1,400,650	99	943	1,439,383	92,508	596,396	79,80
\$150 under \$175	612,165	9,928,362	564,161	1,331,349	1,468	1,234	1,362,459	99,463	524,707	83,28
\$175 under \$200	553,377	9,286,363	510,197	1,254,387	668	637	1,286,355	103,346	455,834	83,10
\$200 under \$250	1,039,448	17,880,429	960,387	2,428,521	2,706	755	2,508,731	232,642	894,113	195,04
\$250 under \$300	935,265	16,942,016	875,354	2,367,186	906	1,122	2,444,178	255,914	792,399	211,58
\$300 under \$350	784,279	15,092,417	726,332	2,172,562	1,015	3,227	2,257,976	253,593	671,349	212,13
\$350 under \$400	660,490	13,184,267	625,061	1,949,281	717	1,421	2,012,651	246,329	578,672	208,52
\$400 under \$450	616,204	12,650,417	590,681	1,861,607	1,421	1,247	1,932,047	262,093	542,022	223,32
\$450 under \$500	541,123	11,773,628	514,811	1,792,046	2,905	1,949	1,866,572	256,003	479,990	217,13
\$500 under \$600	906,430	19,815,232	873,885	3,079,617	1,136	1,865	3,208,363	496,526	786,105	415,66
\$600 under \$700	725,872	17,165,671	696,992	2,748,238	2,100	3,278	2,873,140	469,993	648,743	404,32
\$700 under \$800	613,894	14,873,302	592,362	2,422,435	3,221	3,736	2,545,434	459,341	545,311	391,96
\$800 under \$900	487,731	12,111,184	467,267	2,050,344	3,158	3,494	2,172,139	414,322	423,895	345,76
\$900 under \$1,000	441,626	11,685,705	427,894	1,999,376	2,929	6,298	2,106,728	419,160	389,074	355,32
\$1,000 under \$1,500	1,504,779	42,018,702	1,452,809	7,414,937	9,029	13,203	7,910,028	1,843,771	1,324,083	1,547,19
\$1,500 under \$2,000	822,765	25,609,646	794,548	4,748,666	9,154	14,734	5,136,888	1,428,009	730,348	1,220,98
\$2,000 or more	2,559,289	154,120,368	2,546,589	44,073,487	92,141	763,534	46,074,547	19,840,735	2,317,422	17,438,52

Size of tax due	Balance due after remittance		Income tax withheld		Estimated tax payments		All other taxpayments <sup>1</sup>		Total refundable credits <sup>2</sup>	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Total</b> .....	<b>7,833,066</b>	<b>3,575,184</b>	<b>12,664,871</b>	<b>49,002,918</b>	<b>4,420,699</b>	<b>19,318,011</b>	<b>1,157,579</b>	<b>1,434,144</b>	<b>346</b>	<b>35</b>
\$1 under \$25	412,014	1,883	662,085	1,452,371	181,128	219,429	22,149	39,245	—	—
\$25 under \$50	410,031	4,996	622,254	1,324,638	191,001	218,319	18,021	10,313	—	—
\$50 under \$75	366,888	7,495	580,250	1,437,991	172,075	220,663	27,998	9,140	—	—
\$75 under \$100	318,920	8,865	518,267	1,292,352	138,008	210,024	18,168	15,190	—	—
\$100 under \$125	303,947	11,899	465,393	1,167,935	113,382	157,508	23,273	6,422	—	—
\$125 under \$150	299,159	12,701	469,180	1,200,132	111,802	132,035	28,998	14,709	—	—
\$150 under \$175	278,315	16,181	414,511	1,102,360	103,727	152,551	19,041	8,083	55	—
\$175 under \$200	259,148	20,244	396,410	1,048,613	87,169	136,830	16,634	7,566	—	—
\$200 under \$250	443,362	37,594	721,805	1,957,707	193,832	298,422	33,818	19,959	—	—
\$250 under \$300	412,834	44,328	635,282	1,843,620	186,577	329,642	33,877	15,001	—	—
\$300 under \$350	355,860	41,448	550,492	1,688,340	153,127	291,847	35,167	24,206	—	—
\$350 under \$400	277,224	37,803	470,600	1,506,156	132,879	244,649	29,318	15,517	—	—
\$400 under \$450	287,263	38,764	461,936	1,435,519	124,564	216,253	28,860	18,182	—	—
\$450 under \$500	242,116	38,868	385,937	1,335,140	119,497	256,825	26,929	18,605	—	—
\$500 under \$600	381,723	80,866	647,481	2,275,716	197,814	407,500	37,646	28,585	9	3
\$600 under \$700	307,640	65,663	526,207	1,985,427	151,983	385,002	43,772	32,718	—	—
\$700 under \$800	269,922	67,372	450,056	1,677,956	151,789	387,727	32,928	20,410	—	—
\$800 under \$900	201,122	68,559	347,820	1,399,715	123,014	335,327	36,988	22,774	45	—
\$900 under \$1,000	176,404	83,837	313,292	1,335,580	108,657	327,643	26,955	24,346	—	—
\$1,000 under \$1,500	617,233	296,580	1,023,495	4,640,230	383,729	1,342,349	139,859	83,664	11	1
\$1,500 under \$2,000	327,882	207,027	514,549	2,637,706	241,558	1,008,996	82,952	62,176	—	—
\$2,000 or more	884,058	2,402,206	1,487,569	13,257,715	1,053,387	12,038,470	394,168	937,335	226	30

<sup>1</sup> Estimate should be used with caution because of the small number of sample returns on which it is based. Consists of payment with request for extension of filing time plus excess social security taxes withheld, credit for tax on gasoline, credit from regulated investment companies, and other taxpayments.

<sup>2</sup> Consists of the refundable portions of the earned income credit and the business energy investment credit.

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

Table 3.11 — Returns With Tax Overpayment: Selected Items By Size of Tax Overpayment or Refund

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

Size of tax overpayment or refund	Number of returns	Adjusted gross income less deficit	Total tax liability		Total	Overpayment				
			Number of returns	Amount		Total	Refunded		Credited to 1980 estimated tax	
							Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
<b>Size of tax overpayment</b>										
<b>Total.....</b>	<b>71,433,691</b>	<b>981,986,826</b>	<b>54,243,790</b>	<b>122,707,066</b>	<b>45,821,372</b>	<b>69,597,035</b>	<b>43,038,511</b>	<b>2,381,122</b>	<b>2,782,861</b>	
\$1 under \$25	2,347,152	16,705,236	905,223	2,108,714	28,806	2,236,020	27,517	112,524	1,289	
\$25 under \$50	2,379,313	17,087,248	994,821	2,073,026	87,419	2,270,157	83,526	110,540	3,893	
\$50 under \$75	2,253,249	17,467,381	1,026,508	2,020,691	139,339	2,167,023	133,790	88,738	5,548	
\$75 under \$100	2,164,565	17,242,020	1,003,797	1,992,562	187,652	2,089,679	160,735	82,259	6,917	
\$100 under \$125	2,135,857	18,920,614	1,141,638	2,188,406	239,147	2,065,535	230,693	76,281	8,453	
\$125 under \$150	2,171,021	20,117,919	1,291,473	2,264,146	298,385	2,103,477	288,822	70,882	9,563	
\$150 under \$175	2,678,289	24,218,925	1,828,674	2,641,182	434,819	2,617,338	424,470	67,009	10,348	
\$175 under \$200	2,515,796	24,053,652	1,746,896	2,682,091	469,437	2,463,876	459,028	58,584	10,409	
\$200 under \$250	4,600,920	46,193,721	3,294,266	5,162,705	1,030,512	4,507,422	1,008,225	101,730	22,287	
\$250 under \$300	4,243,097	44,086,876	3,147,721	4,994,020	1,167,326	4,159,823	1,142,858	95,263	24,469	
\$300 under \$350	4,554,141	47,232,059	3,781,856	5,235,522	1,481,135	4,481,884	1,455,394	89,963	25,741	
\$350 under \$400	4,193,305	44,925,788	3,607,378	4,943,449	1,567,303	4,115,404	1,535,055	92,726	32,248	
\$400 under \$450	3,540,303	42,556,900	3,061,055	4,841,723	1,495,787	3,483,628	1,468,237	71,490	27,550	
\$450 under \$500	3,011,913	39,021,480	2,605,865	4,520,822	1,427,249	2,962,283	1,398,881	67,414	28,368	
\$500 under \$600	4,866,102	68,687,525	4,212,646	8,278,189	2,662,669	4,785,819	2,611,712	103,115	50,957	
\$600 under \$700	3,891,439	59,334,088	3,256,923	7,016,212	2,520,237	3,820,906	2,466,849	94,187	53,388	
\$700 under \$800	3,154,936	49,910,996	2,567,077	5,912,009	2,361,286	3,097,767	2,310,622	78,083	50,664	
\$800 under \$900	2,587,074	43,231,786	2,105,102	5,094,053	2,194,198	2,536,430	2,141,623	72,202	52,575	
\$900 under \$1,000	2,221,035	37,416,088	1,779,874	4,289,690	2,106,120	2,178,776	2,057,662	59,423	48,458	
\$1,000 under \$1,500	6,193,888	126,209,304	5,446,807	15,782,590	7,489,488	6,048,058	7,263,314	221,804	226,174	
\$1,500 under \$2,000	2,538,347	63,347,238	2,430,804	8,572,242	4,364,864	4,157,665	4,157,665	146,803	207,799	
\$2,000 or more	3,191,949	113,019,983	3,005,386	20,093,024	12,068,195	2,956,439	10,192,432	420,102	1,875,764	
<b>Size of refund</b>										
<b>Total.....</b>	<b>69,597,035</b>	<b>932,287,939</b>	<b>52,480,154</b>	<b>111,848,972</b>	<b>43,718,756</b>	<b>69,597,035</b>	<b>43,038,511</b>	<b>544,466</b>	<b>680,245</b>	
\$1 under \$25	2,265,344	15,560,600	828,249	1,906,927	53,483	2,265,344	27,820	30,716	25,663	
\$25 under \$50	2,296,621	16,300,990	914,887	1,985,771	108,760	2,296,621	84,493	27,848	24,267	
\$50 under \$75	2,178,399	16,472,202	950,727	1,895,806	149,105	2,178,399	134,621	13,888	14,484	
\$75 under \$100	2,096,759	16,325,549	936,526	1,873,551	190,782	2,096,759	181,710	14,453	9,072	
\$100 under \$125	2,073,378	17,990,045	1,081,279	2,076,535	239,313	2,073,378	232,170	13,802	7,143	
\$125 under \$150	2,116,209	19,338,103	1,237,223	2,162,816	302,484	2,116,209	290,862	16,070	11,622	
\$150 under \$175	2,622,732	23,356,527	1,776,648	2,521,734	434,643	2,622,732	425,818	11,452	8,825	
\$175 under \$200	2,470,345	23,363,952	1,703,586	2,579,303	467,811	2,470,345	460,874	13,133	6,937	
\$200 under \$250	4,525,860	44,900,390	3,218,357	4,972,949	1,025,811	4,525,860	1,013,453	26,670	12,358	
\$250 under \$300	4,176,645	42,979,946	3,086,296	4,826,076	1,165,786	4,176,645	1,148,967	28,811	16,819	
\$300 under \$350	4,481,876	45,918,285	3,714,480	5,029,272	1,470,147	4,481,876	1,457,692	17,698	12,455	
\$350 under \$400	4,119,552	43,666,995	3,533,035	4,745,934	1,556,027	4,119,552	1,539,602	18,973	16,426	
\$400 under \$450	3,485,291	41,414,713	3,004,894	4,647,976	1,486,858	3,485,291	1,472,522	16,478	14,337	
\$450 under \$500	2,959,599	38,080,880	2,559,169	4,359,548	1,417,154	2,959,599	1,402,453	15,100	14,701	
\$500 under \$600	4,789,701	68,182,665	4,141,597	8,017,702	2,647,100	4,789,701	2,620,777	26,714	26,323	
\$600 under \$700	3,820,328	57,603,460	3,188,835	6,704,958	2,492,991	3,820,328	2,474,212	23,076	18,780	
\$700 under \$800	3,090,852	48,436,227	2,512,362	5,643,433	2,324,269	3,090,852	2,312,943	13,999	11,326	
\$800 under \$900	2,532,879	41,907,494	2,051,513	4,838,288	2,164,577	2,532,879	2,148,036	18,007	16,542	
\$900 under \$1,000	2,177,885	36,403,640	1,738,348	4,102,787	2,085,049	2,177,885	2,065,326	16,273	19,723	
\$1,000 under \$1,500	6,027,304	121,464,545	5,288,694	14,829,717	7,343,849	6,027,304	7,282,411	55,220	61,438	
\$1,500 under \$2,000	2,414,375	59,394,999	2,313,712	7,781,296	4,182,255	2,414,375	4,148,785	22,831	33,470	
\$2,000 or more	2,875,101	93,225,731	2,699,737	14,346,595	10,410,500	2,875,101	10,112,966	103,254	297,534	

Footnote(s) at end of table

Table 3.11 — Returns With Tax Overpayment: Selected Items By Size of Tax Overpayment or Refund — Continued

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

Size of tax overpayment or refund	Income tax withheld		Estimated tax payments		All other taxpayments <sup>1</sup>		Total refundable credits <sup>2</sup>	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<b>Size of tax overpayment</b>								
<b>Total</b> .....	<b>68,672,696</b>	<b>150,495,976</b>	<b>3,644,313</b>	<b>14,342,740</b>	<b>1,776,714</b>	<b>2,295,622</b>	<b>5,120,664</b>	<b>1,397,992</b>
\$1 under \$25	2,147,256	1,845,441	173,369	222,177	52,538	68,804	79,549	1,098
\$25 under \$50	2,142,251	1,911,704	185,831	220,109	52,869	25,597	69,747	3,054
\$50 under \$75	2,032,295	1,935,898	184,765	207,454	43,673	11,382	100,364	5,296
\$75 under \$100	1,987,350	1,966,305	143,319	186,410	29,048	19,162	105,873	8,336
\$100 under \$125	2,023,921	2,264,382	118,990	134,556	40,857	24,424	55,333	4,190
\$125 under \$150	2,051,718	2,374,721	122,576	158,161	36,519	21,731	79,962	7,944
\$150 under \$175	2,569,359	2,876,304	110,964	169,448	28,141	18,656	90,880	11,593
\$175 under \$200	2,439,236	3,005,541	85,979	120,242	29,130	14,086	89,133	11,659
\$200 under \$250	4,451,394	5,854,660	160,455	283,529	46,603	27,836	162,753	27,192
\$250 under \$300	4,110,712	5,862,374	150,121	234,110	41,762	25,540	209,215	39,788
\$300 under \$350	4,432,161	6,387,826	142,695	255,486	43,860	31,955	175,543	41,733
\$350 under \$400	4,077,565	6,187,921	135,578	250,526	33,641	20,678	205,177	52,102
\$400 under \$450	3,457,789	6,011,331	112,999	239,516	41,863	17,543	249,971	69,120
\$450 under \$500	2,920,888	5,610,020	108,237	230,909	44,453	20,911	268,970	86,231
\$500 under \$600	4,736,471	10,346,785	179,733	390,326	72,738	36,061	519,442	166,064
\$600 under \$700	3,819,025	8,943,648	145,251	382,152	67,569	39,907	553,121	170,817
\$700 under \$800	3,091,370	7,709,082	122,500	345,425	77,859	40,943	529,952	178,117
\$800 under \$900	2,535,713	6,804,036	101,156	314,041	54,697	26,504	441,317	145,003
\$900 under \$1,000	2,184,769	5,983,454	80,714	242,460	61,267	34,838	406,776	135,363
\$1,000 under \$1,500	6,047,289	21,693,931	321,781	1,213,684	250,852	150,265	647,922	214,198
\$1,500 under \$2,000	2,449,984	11,883,768	195,878	929,080	180,881	113,836	35,723	10,423
\$2,000 of more	2,964,180	23,036,643	541,428	7,612,940	445,894	1,502,966	23,941	8,671
<b>Size of refund</b>								
<b>Total</b> .....	<b>67,925,395</b>	<b>147,254,889</b>	<b>1,955,847</b>	<b>5,617,343</b>	<b>1,629,827</b>	<b>1,302,607</b>	<b>5,107,511</b>	<b>1,396,762</b>
\$1 under \$25	2,117,354	1,747,160	105,969	183,985	45,463	28,114	80,748	1,150
\$25 under \$50	2,124,766	1,891,871	105,908	165,030	55,297	34,535	90,876	3,095
\$50 under \$75	2,013,809	1,896,755	114,895	129,707	42,397	13,191	99,606	5,256
\$75 under \$100	1,970,427	1,928,702	81,118	107,836	27,726	19,435	105,667	8,360
\$100 under \$125	2,001,837	2,229,620	61,910	61,968	37,109	20,003	55,159	4,257
\$125 under \$150	2,037,071	2,351,432	71,000	87,143	35,243	18,807	80,014	7,946
\$150 under \$175	2,549,433	2,842,017	59,764	88,395	24,530	14,350	91,171	11,615
\$175 under \$200	2,422,655	2,958,256	45,346	59,342	25,057	17,889	88,678	11,627
\$200 under \$250	4,424,614	5,801,130	109,413	144,909	45,092	25,625	162,932	27,096
\$250 under \$300	4,088,412	5,810,516	87,845	118,828	36,485	23,420	206,466	39,566
\$300 under \$350	4,404,566	6,319,425	75,789	115,654	38,202	22,499	177,034	42,180
\$350 under \$400	4,049,816	6,126,321	61,292	105,645	33,047	18,231	206,980	52,238
\$400 under \$450	3,430,266	5,936,642	64,362	109,057	39,994	19,870	250,027	69,266
\$450 under \$500	2,899,549	5,552,313	58,556	108,134	40,704	30,179	266,966	86,077
\$500 under \$600	4,704,506	10,279,664	107,723	186,239	71,766	32,754	520,185	166,522
\$600 under \$700	3,786,456	8,829,903	80,210	167,922	64,424	29,546	551,584	170,850
\$700 under \$800	3,065,591	7,625,784	62,503	132,617	70,097	32,305	526,286	177,261
\$800 under \$900	2,516,123	6,740,606	52,825	96,484	48,801	22,639	439,179	144,468
\$900 under \$1,000	2,165,818	5,914,543	40,853	109,735	58,538	28,500	406,270	135,361
\$1,000 under \$1,500	5,969,565	21,365,201	169,764	481,845	232,510	112,643	644,526	213,877
\$1,500 under \$2,000	2,363,859	11,578,807	89,042	292,929	169,626	81,531	35,389	10,281
\$2,000 of more	2,798,902	21,528,223	249,760	2,563,938	387,719	656,542	21,768	8,390

<sup>1</sup>Consists of payment with request for extension of filing time, plus excess social security taxes withheld, credit for tax on gasoline, credit from regulated investment companies, and other taxpayments  
<sup>2</sup>Consists of the refundable portions of the earned income credit and the business energy investment credit  
 NOTE: Detail may not add to total because of rounding

**Table 3.12 — Returns With Maximum Tax on Personal Service Income: Adjusted Gross Income, Personal Service Net Income, Taxable Income, and Income Tax Before Credits, by Size of Taxable Income**

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

Tax computation items	Total		Size of taxable income			
	Number of returns	Amount	\$41,500 under \$44,700		\$44,700 under \$60,000	
			Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income	378,863	56,851,682	1,285	69,996	12,964	794,269
Personal service income	378,863	52,764,128	1,285	75,953	12,964	874,871
Deductions against personal service income	170,365	2,054,930	*144	*577	6,384	67,528
Personal service net income	378,863	50,709,198	1,285	75,376	12,964	807,343
Taxable income	378,863	48,007,716	1,285	55,686	12,964	676,904
Tax preference offset	83,032	596,089	*266	*153	1,070	1,578
Personal service taxable income						
Total	378,863	40,331,187	1,285	55,443	12,964	645,772
Zero bracket amount	378,863	1,240,113	1,285	2,956	12,964	29,798
Subject to regular rates	378,863	20,719,539	1,285	50,372	12,964	516,352
Subject to maximum rate on personal service income	378,863	18,371,536	1,285	2,116	12,964	99,622
Other taxable income	321,404	7,676,529	*418		6,642	31,132
Tax generated						
At all rates	378,863	21,385,185	1,285	18,400	12,964	242,317
At regular rates						
Total	378,863	12,199,546	1,285	17,342	12,964	192,510
On personal service taxable income	378,863	7,188,033	1,285	17,209	12,964	175,062
On other taxable income	323,481	5,011,513	*418	*133	8,936	17,448
At maximum rate on personal service income	378,863	9,185,673	1,285	1,057	12,964	49,808

Tax computation items	Size of taxable income—Continued					
	\$60,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income	189,865	18,368,221	136,510	21,340,104	38,239	16,279,093
Personal service income	189,865	18,621,672	136,510	20,176,229	38,239	13,015,403
Deductions against personal service income	87,581	798,962	61,803	845,711	14,453	342,152
Personal service net income	189,865	17,822,710	136,510	19,330,518	38,239	12,673,252
Taxable income	189,865	15,149,085	136,510	18,135,986	38,239	13,990,055
Tax preference offset	31,730	100,641	34,377	221,223	15,589	272,494
Personal service taxable income						
Total	189,865	14,111,402	136,510	15,750,041	38,239	9,768,528
Zero bracket amount	189,865	626,016	136,510	454,335	38,239	127,008
Subject to regular rates	189,865	10,453,372	136,510	7,580,413	38,239	2,119,030
Subject to maximum rate on personal service income	189,865	3,032,015	136,510	7,715,293	38,239	7,522,490
Other taxable income	156,049	1,037,682	120,556	2,385,945	35,739	4,221,527
Tax generated						
At all rates	189,865	5,725,275	136,510	7,985,048	38,239	7,414,146
At regular rates						
Total	189,865	4,209,325	136,510	4,127,456	38,239	3,652,912
On personal service taxable income	189,865	3,627,803	136,510	2,632,186	38,239	735,773
On other taxable income	157,213	581,522	121,114	1,495,270	35,800	2,917,139
At maximum rate on personal service income	189,865	1,515,960	136,510	3,857,612	38,239	3,761,236

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

Includes prior year returns with both maximum and alternative tax computations

NOTE: Detail may not add to total because of rounding

**Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed**

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

Tax rate classes	All returns											
	Classified by the highest marginal rate at which tax was computed					Income tax after credits					Classified by each rate at which tax was computed	
	Number of returns	Adjusted gross income	At all rates	At marginal rate	At all rates	Total	Adjusted gross income	As a percent of—	Number of returns	Income taxed at rate	Income tax generated at rate	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
All marginal rates	86,932,978	1,465,700,971	1,150,493,447	155,135,787	219,898,616	41,014,900	213,900,910	14.6	18.5	1,150,493,093	219,919,171	
0 percent	12,705,123	42,070,832	16,665,815	16,665,815	—	5,371	5,371	( <sup>1</sup> )	18.5	230,610,133	—	
14 percent	7,452,568	44,350,300	25,831,518	5,807,314	824,761	825,624	526,056	1.2	2.0	121,262,666	16,976,773	
16 percent	6,448,222	51,389,627	33,780,272	5,275,573	2,351,140	844,092	1,969,577	3.6	5.8	107,726,879	17,206,492	
18 percent	12,518,948	132,793,424	96,493,653	19,966,635	9,762,478	3,593,994	9,306,571	7.0	9.6	60,327,065	33,206,556	
19 percent	3,898,665	34,090,511	29,188,741	3,869,336	3,429,700	733,274	3,392,107	10.0	11.6	27,612,126	5,246,304	
21 percent	10,400,537	164,634,057	128,562,032	17,868,653	17,047,925	3,752,417	16,546,898	10.1	12.9	128,956,201	27,081,222	
22 percent	958,394	12,811,352	9,695,180	1,358,894	1,281,858	298,957	1,239,851	9.7	12.8	5,785,170	1,272,737	
24 percent	10,001,361	200,169,621	160,910,080	17,396,164	24,575,966	4,175,084	23,999,262	12.0	14.9	97,623,049	23,429,532	
26 percent	2,138,649	34,937,387	30,638,174	2,315,523	5,152,457	5,101,719	5,101,719	14.6	16.7	12,621,367	3,281,555	
28 percent	5,605,913	152,662,743	123,072,801	11,356,832	21,283,419	3,179,913	20,763,855	13.6	16.9	55,162,917	15,445,617	
30 percent	1,617,550	33,404,978	29,897,081	2,636,672	5,527,442	791,002	5,489,863	16.4	18.4	10,355,219	3,106,566	
31 percent	2,659,456	6,686,438	5,517,685	614,010	1,081,701	190,943	1,063,044	15.9	19.3	4,743,885	478,604	
32 percent	4,391,896	142,152,964	116,571,395	10,299,788	22,755,003	3,295,932	22,245,882	15.6	19.1	40,168,929	12,854,057	
34 percent	1,434,118	32,705,351	29,144,838	3,045,737	6,148,753	1,035,551	6,078,407	18.6	20.8	6,228,756	2,797,777	
36 percent	94,663	2,927,675	2,441,284	216,705	546,654	78,014	538,427	18.4	22.1	644,865	232,151	
37 percent	2,317,950	86,802,338	73,296,306	5,347,953	16,070,604	1,978,743	15,722,011	17.7	21.4	23,171,938	8,573,617	
39 percent	504,621	14,801,476	13,003,996	1,145,810	3,156,054	446,866	3,117,298	21.1	24.0	977,928	1,425,191	
42 percent	83,672	1,160,096	937,354	177,169	237,359	32,411	230,863	19.6	24.6	364,013	145,746	
43 percent	1,835,355	85,936,689	70,864,390	7,517,763	17,925,266	3,232,638	17,439,402	20.3	24.6	24,000,855	10,355,418	
44 percent	203,051	7,303,052	6,310,291	462,730	1,713,845	203,601	1,689,020	23.1	26.8	1,895,087	893,838	
46 percent	26,944	1,261,113	1,023,671	104,959	293,138	48,281	280,711	22.3	27.4	359,041	165,159	
49 percent	874,902	52,484,505	42,933,028	4,681,892	12,934,137	2,294,127	12,491,865	23.8	29.1	17,355,145	8,504,021	
50 percent	57,459	6,956,852	5,767,833	2,513,640	3,320,322	12,568	2,181,050	31.4	37.8	16,371,857	9,185,834	
54 percent	441,162	37,249,396	30,347,392	3,042,562	10,833,327	1,642,994	10,402,103	27.9	34.3	6,628,783	4,119,543	
55 percent	78,080	4,400,462	3,696,063	407,666	1,294,937	224,216	1,256,613	28.6	34.0	1,218,934	670,414	
59 percent	147,846	16,898,235	13,918,984	970,644	5,645,072	572,860	5,413,782	32.0	38.9	3,442,440	2,031,039	
63 percent	47,782	3,889,213	3,188,487	388,015	1,322,578	24,450	1,285,384	33.9	40.3	1,043,176	660,961	
64 percent	116,121	18,058,905	14,945,105	1,301,122	6,663,880	637,116	6,478,868	35.7	43.1	3,776,707	2,418,372	
68 percent	52,449	9,996,031	8,301,569	687,234	4,039,955	3,971,936	3,971,936	36.7	46.7	2,527,122	1,718,443	
70 percent	63,122	28,654,745	23,508,330	7,682,937	13,588,886	5,385,958	13,209,740	46.1	56.2	9,379,116	6,565,381	

Footnote(s) at end of table



**Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed — Continued**

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

Tax rate classes	Joint returns and returns of surviving spouses											
	Classified by the highest marginal rate at which tax was computed					Classified by each rate at which tax was computed						
	Income subject to tax		Tax generated		Total	Income tax after credits		Number of returns	Income taxed at rate	Income tax generated at rate		
	At all rates	At marginal rate	At all rates	All marginal rates		Adjusted gross income	As a percent of—					
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
All marginal rates	43,217,952	1,052,224,536	814,697,332	103,959,480	165,530,577	30,141,389	160,280,817	15.2	19.7	43,217,052	814,697,332	165,542,124
0 percent	3,031,911	18,351,495	5,868,523	5,868,523	3,467	—	3,467	( )	—	43,217,052	142,389,008	—
14 percent	2,629,090	22,579,313	11,703,303	2,774,379	387,332	366,413	258,549	1.1	2.2	40,185,141	61,642,086	11,429,892
16 percent	2,675,213	28,713,986	17,527,500	2,826,949	1,234,205	452,312	1,097,930	3.8	6.3	37,596,051	76,076,709	12,172,273
18 percent	6,117,479	86,443,497	59,856,904	13,367,808	6,260,013	2,409,805	5,933,784	6.9	9.9	34,860,838	137,070,251	24,572,645
19 percent	—	—	—	—	—	—	—	—	—	—	—	—
21 percent	6,720,917	124,839,556	93,843,538	13,890,325	12,346,423	2,916,968	11,878,415	9.5	12.7	28,763,359	104,264,337	21,895,511
22 percent	—	—	—	—	—	—	—	—	—	—	—	—
23 percent	6,804,367	155,967,106	122,774,259	13,916,637	18,749,251	3,339,993	18,240,287	11.7	14.9	22,042,442	77,916,552	18,699,972
26 percent	5,456,116	150,625,910	121,404,776	11,201,338	20,994,764	3,136,375	20,483,795	13.6	16.9	15,238,075	54,241,958	15,187,748
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
31 percent	4,248,587	139,841,040	114,623,252	10,113,253	22,376,236	3,236,241	21,876,300	15.6	19.1	9,781,959	39,440,125	12,620,840
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	2,227,392	87,080,931	71,835,698	5,240,497	15,752,817	1,938,984	15,407,664	17.7	21.4	5,533,372	22,762,191	8,422,011
39 percent	—	—	—	—	—	—	—	—	—	—	—	—
42 percent	1,765,280	84,355,795	69,514,073	7,380,437	17,580,765	3,173,588	17,107,654	20.3	24.6	3,305,980	23,711,857	10,196,098
43 percent	—	—	—	—	—	—	—	—	—	—	—	—
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
46 percent	742,636	47,038,576	38,288,059	4,276,589	11,543,030	2,095,539	11,142,951	23.7	29.1	1,540,700	15,609,098	7,648,458
49 percent	46,402	3,923,085	3,910,020	2,125,998	1,978,328	106,630	1,866,096	31.3	37.8	335,439	16,558,340	8,279,087
50 percent maximum rate	418,271	36,127,481	28,396,110	2,324,389	10,519,001	1,573,170	10,088,319	28.0	34.4	597,598	7,319,471	3,952,514
54 percent	—	—	—	—	—	—	—	—	—	—	—	—
55 percent	—	—	—	—	—	—	—	—	—	—	—	—
59 percent	139,783	16,280,425	13,410,534	909,682	5,442,450	536,712	5,216,639	32.0	38.9	245,952	3,271,780	1,930,350
63 percent	—	—	—	—	—	—	—	—	—	—	—	—
64 percent	114,191	17,910,487	14,817,019	1,278,607	6,642,096	818,309	6,388,252	35.7	43.2	161,287	3,719,648	2,380,575
68 percent	36,330	8,089,860	6,731,185	524,390	3,294,109	356,585	3,156,306	39.0	46.9	64,191	1,929,793	1,312,259
70 percent	43,087	22,049,993	18,188,577	5,359,679	10,428,757	3,751,775	10,122,949	45.9	55.7	43,087	6,774,128	4,741,890

Footnote(s) at end of table

Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed — Continued

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

Tax rate classes	Separate returns of husbands and wives											
	Classified by the highest marginal rate at which tax was computed					Income tax after credits					Classified by each rate at which tax was computed	
	Income subject to tax		Tax generated		Total	As a percent of—		Number of returns	Income taxed at rate	Income tax generated at rate		
	At all rates	At marginal rate	At all rates	At marginal rate		Adjusted gross income	Income subject to tax				(34)	(35)
(25)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)		
All marginal rates	1,585,605	13,238,405	1,927,246	2,566,108	600,221	2,496,048	14.8	18.9	13,238,405	2,632,868		
0 percent	212,992	187,604	187,604	—	—	—	—	—	2,512,963	—		
14 percent	132,294	287,224	64,296	8,404	9,001	8,404	1.5	2.9	1,966,683	191,328		
16 percent	109,920	398,800	57,037	24,646	9,128	23,123	4.2	6.0	1,433,956	199,033		
18 percent	246,926	1,211,634	274,184	126,989	49,353	124,141	7.3	10.2	2,173,651	391,257		
19 percent	—	—	—	—	—	—	—	—	—	—		
21 percent	207,336	1,408,938	176,218	182,527	37,006	180,218	9.9	12.8	1,562,299	328,083		
22 percent	—	—	—	—	—	—	—	—	—	—		
24 percent	178,401	1,605,225	178,916	244,933	42,940	240,420	12.2	15.0	1,224,162	293,799		
26 percent	—	—	—	—	—	—	—	—	—	—		
28 percent	149,797	2,056,834	155,494	288,655	43,538	280,060	13.6	16.8	920,960	257,869		
30 percent	—	—	—	—	—	—	—	—	—	—		
31 percent	143,309	1,948,143	186,534	378,767	59,691	369,582	16.0	19.0	728,804	233,217		
32 percent	—	—	—	—	—	—	—	—	—	—		
34 percent	—	—	—	—	—	—	—	—	—	—		
36 percent	—	—	—	—	—	—	—	—	—	—		
37 percent	90,558	1,721,407	107,457	317,787	39,759	314,346	18.3	21.5	409,747	151,607		
39 percent	—	—	—	—	—	—	—	—	—	—		
42 percent	—	—	—	—	—	—	—	—	—	—		
43 percent	70,075	1,370,317	137,327	341,501	59,051	331,748	20.7	24.2	370,511	159,320		
44 percent	—	—	—	—	—	—	—	—	—	—		
46 percent	24,133	745,333	81,368	176,314	39,870	168,986	22.7	26.7	222,402	108,977		
49 percent	—	—	—	—	—	—	—	—	—	—		
50 percent maximum rate	13,766	537,161	65,620	153,186	35,435	151,242	28.2	31.6	143,674	77,584		
54 percent	—	—	—	—	—	—	—	—	—	—		
55 percent	—	—	—	—	—	—	—	—	—	—		
59 percent	2,789	161,567	15,803	53,301	9,324	49,636	30.7	36.7	55,181	32,557		
63 percent	—	—	—	—	—	—	—	—	—	—		
64 percent	1,930	148,418	22,515	51,784	14,410	49,632	33.4	38.7	59,059	37,798		
68 percent	340	32,264	4,664	3,172	3,172	3,172	30.9	35.5	32,198	21,894		
70 percent	1,039	425,901	212,209	201,947	148,546	193,041	45.3	59.6	212,209	148,546		

Footnote(s) at end of table

**Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed — Continued**  
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax rate classes	Returns of heads of households											
	Classified by the highest marginal rate at which tax was computed					Classified by each rate at which tax was computed						
	Income subject to tax		Tax generated		Total	Income tax after credits		Number of returns	Income taxed at rate	Income tax generated at rate		
	At all rates	At marginal rate	At all rates	At marginal rate		Adjusted gross income	As a percent of—					
(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	
All marginal rates	6,569,612	75,716,404	54,274,866	8,867,445	8,196,032	1,775,427	7,545,708	10.0	13.9	6,569,612	54,274,866	8,198,387
0 percent	962,801	4,025,664	1,172,851	1,172,851	—	—	19,439	3	5	6,569,612	14,058,169	1,477,967
14 percent	1,188,310	7,376,841	4,008,390	1,278,058	178,533	178,928	261,496	3.0	4.6	5,606,811	10,556,910	1,307,848
16 percent	1,054,138	8,775,029	5,745,684	1,108,887	486,618	1,177,422	721,744	7.0	9.7	4,418,501	8,174,049	1,134,424
18 percent	978,138	10,318,336	7,407,701	1,052,662	805,357	189,479	—	—	—	3,364,363	6,302,357	—
19 percent	—	—	—	—	—	—	—	—	—	—	—	—
21 percent	958,994	12,811,352	9,695,190	1,358,894	1,281,858	298,957	1,239,851	9.7	12.8	2,986,225	5,785,170	1,272,737
22 percent	633,584	10,621,251	8,396,504	920,852	1,302,544	221,004	1,271,239	12.0	15.1	1,427,831	3,462,442	830,986
24 percent	349,343	7,039,011	5,733,636	493,745	993,359	128,374	971,362	13.8	16.9	794,247	1,917,438	498,534
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	269,456	6,886,438	5,517,685	614,010	1,081,701	190,343	1,063,044	15.9	19.3	444,904	1,543,885	478,604
31 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	94,663	2,927,875	2,441,284	216,705	546,654	78,014	538,427	18.4	22.1	175,448	644,865	232,151
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
39 percent	29,871	1,180,096	937,354	77,169	237,359	32,411	230,863	19.6	24.6	80,785	347,013	145,746
42 percent	—	—	—	—	—	—	—	—	—	—	—	—
43 percent	—	—	—	—	—	—	—	—	—	—	—	—
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
46 percent	26,944	1,261,113	1,023,671	104,959	293,138	48,281	280,711	22.3	27.4	50,914	359,041	165,159
49 percent	3,541	334,802	274,345	116,064	107,483	580	102,264	30.5	37.3	9,408	429,560	214,778
54 percent maximum rate	9,125	584,753	470,740	52,573	161,139	28,390	152,542	26.1	32.4	16,792	165,638	89,444
55 percent	—	—	—	—	—	—	—	—	—	—	—	—
59 percent	5,274	456,242	373,319	45,159	149,321	26,644	146,517	32.1	39.2	8,969	115,479	68,133
63 percent	2,454	280,732	228,968	18,719	99,995	11,793	98,308	35.0	42.9	4,805	76,828	48,402
64 percent	—	—	—	—	—	—	—	—	—	—	—	—
66 percent	1,796	277,882	230,231	24,423	110,956	16,608	102,608	36.9	44.6	3,021	87,070	59,208
70 percent	1,780	758,985	617,323	211,713	360,019	148,199	345,292	45.5	55.9	1,780	248,951	174,266

Footnotes) at end of table

**Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed — Continued**

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

Tax rate classes	Returns of single persons											
	Classified by the highest marginal rate at which tax was computed					Classified by each rate at which tax was computed						
	Income subject to tax		Tax generated		Total	Income tax after credits		Number of returns	Income taxed at rate	Income tax generated at rate		
	At all rates	At marginal rate	At all rates	At marginal rate		Adjusted gross income	As a percent of—					
(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	
All marginal rates	35,560,709	320,858,944	268,282,844	40,341,617	43,545,899	8,497,863	42,978,337	13.4	16.0	35,560,709	268,282,489	43,545,791
0 percent	8,497,419	19,118,649	9,456,836	9,456,836	—	—	1,904	( )	( )	35,560,709	71,649,994	3,877,585
14 percent	3,502,874	13,837,066	9,832,600	1,780,581	250,225	249,281	239,666	1.7	2.4	27,063,290	27,697,039	3,557,466
18 percent	2,606,951	13,350,415	10,148,289	1,282,699	605,672	205,232	586,969	4.4	5.8	23,580,416	22,234,164	6,908,329
19 percent	5,176,405	34,341,500	28,015,414	5,251,982	2,570,120	945,357	2,526,002	7.4	9.0	20,951,465	38,379,608	5,246,304
21 percent	3,899,665	34,090,511	29,186,741	3,859,536	3,429,700	733,274	3,392,107	10.0	11.6	15,775,060	27,612,126	4,857,629
22 percent	3,472,284	37,982,973	33,309,557	3,802,110	4,518,975	798,443	4,488,266	11.8	13.5	11,876,395	23,131,565	—
24 percent	2,385,009	31,611,039	28,134,092	2,379,779	4,279,239	571,147	4,247,317	13.4	15.1	8,404,111	15,019,893	3,604,774
26 percent	1,789,506	27,898,376	24,904,538	1,821,778	4,159,098	473,662	4,130,357	14.8	16.6	6,019,102	10,703,930	2,783,022
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	1,817,550	33,404,978	29,897,081	2,636,872	5,527,442	791,002	5,489,863	16.4	18.4	4,229,596	10,355,219	3,106,566
31 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	1,434,118	32,705,351	29,144,838	3,045,737	6,148,753	1,035,551	6,073,803	18.6	20.8	2,412,046	8,228,756	2,797,777
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	504,621	14,801,476	13,003,896	1,145,810	3,156,054	446,866	3,117,258	21.1	24.0	977,928	3,654,337	1,425,191
39 percent	—	—	—	—	—	—	—	—	—	—	—	—
42 percent	—	—	—	—	—	—	—	—	—	—	—	—
43 percent	203,051	7,303,052	6,310,291	462,730	1,713,845	203,601	1,689,020	23.1	26.8	473,307	1,895,087	833,838
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
46 percent	108,133	4,700,596	4,011,206	323,934	1,214,794	168,728	1,180,548	25.1	29.4	270,256	1,523,645	748,586
49 percent	7,516	692,965	583,468	271,577	236,512	1,358	222,689	32.1	38.2	33,956	1,383,957	691,969
50 percent maximum rate	—	—	—	—	—	—	—	—	—	—	—	—
54 percent	78,080	4,400,462	3,696,063	407,666	1,294,937	224,216	1,256,613	28.6	34.0	138,084	1,218,934	670,414
55 percent	—	—	—	—	—	—	—	—	—	—	—	—
59 percent	45,328	3,606,481	2,959,520	369,296	1,222,583	232,657	1,187,045	32.9	40.1	69,055	972,348	612,579
63 percent	—	—	—	—	—	—	—	—	—	—	—	—
64 percent	13,983	1,591,186	1,307,969	133,756	619,954	90,954	600,453	37.7	45.9	27,120	478,061	325,081
68 percent	17,216	5,419,867	4,378,326	1,909,336	2,598,163	1,336,535	2,548,457	47.0	58.2	17,216	2,143,827	1,500,679

( ) Percent not computed.  
NOTE: Detail may not add to total because of rounding.

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Introduction

This section presents data for returns on which one additional exemption was claimed for each taxpayer age 65 or over. For 1979, the filing requirement for a single person age 65 or over was \$4,300 in gross income (compared to a \$3,300 requirement for those under 65), while for a person who qualified as a "surviving spouse" the amount was \$5,400 (\$4,400 for those under 65). For joint returns, if one spouse was 65 or over, the filing requirement was \$6,400 and it was \$7,400 if both spouses were 65 or over (compared to a \$5,400 requirement for joint returns with both spouses under 65). The reason for the higher filing requirements was that the extra age exemptions made taxpayers below these limits nontaxable in any case.

Returns with Age Exemptions

Persons age 65 or over benefitted from certain special tax provisions under the Internal Revenue Code. These included:

- (1) an additional \$1,000 exemption for each taxpayer age 65 or over,
- (2) the exemption from taxation of social security income, a major source of income for many older persons, and
- (3) the "credit for the elderly."

Table 4A shows selected items reported on returns of taxpayers age 65 or over, classified by marital status and sex of taxpayer. For 1979, 8.7 million returns, accounting for \$130.8 billion of adjusted gross income and \$22.1 billion of total income tax, were filed by taxpayers age 65 or over. Joint returns (4.9 million) and returns of single persons (3.5 million) accounted for 97 percent of those filed for taxpayers age 65 or over.

For 1978 and earlier years, data on all returns with credit for the elderly were included in this section. For 1979 this information is not shown in Section 4; however, limited data are available in Section 3 of this report.

Figure 4A shows, for the years 1969 through 1979, the divergent trends for the number of returns with age exemptions compared to the number of returns with either a retirement income credit or a credit for the elderly. As a result of the Tax Reform Act of 1976, the credit for the elderly replaced the retirement income credit which was in effect for 1975 and earlier years. The effect of the 1976 law was to increase the number of returns with the credit at the lower income levels while decreasing the number at the higher income levels. However, the Tax Reduction and Simplification Act of 1977 allowed taxpayers to compute their 1976 credit under either the new or old law. During this time period (1969-1979) the number of returns with age exemptions increased from 7.2 million to 8.7 million. This development corresponded to the increase in the elderly population during this period. The decreases that occurred in age exemptions for 1970 and 1971 were associated with similar declines in the total number of returns filed. Both situations occurred because changes in the tax laws raised the filing requirements for both 1970 and 1971.

However, during this same time span, the number of returns with the retirement income credit or the credit for the elderly declined from 1.7 million to 0.6 million. This apparent contradiction is explained by the effect of the earned income limitation on the retirement income credit, and the adjusted gross income limitation on the credit for the elderly. These limitations remained constant during this period (1969-1979) and thereby reduced the number of taxpayers eligible for the credit as inflation raised more income levels above these limitations.

\*Tom Gearin was responsible for the review and analysis of the data in this section. He was assisted by Clementine Brittain.

Table 4A.--Returns of Taxpayers Age 65 or Over: Selected Tax Items by Marital Status and Sex of Taxpayer

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

Marital status and sex of taxpayer	Number of returns	Adjusted gross income less deficit	Exemptions		Returns with zero bracket amount only	
			Number of exemptions	Amount	Number of returns	Zero bracket amount
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total.....	8,661,655	130,793,580	25,674,779	25,625,460	6,062,370	15,699,474
Joint returns of husbands and wives, total.....	4,933,570	88,903,440	18,022,749	18,000,223	3,336,302	9,979,756
Both age 65 or over.....	2,658,883	47,750,920	10,755,746	10,743,252	1,782,647	5,242,514
Husband age 65 or over; wife under 65.....	1,903,670	34,684,849	6,123,545	6,114,359	1,304,442	3,983,642
Wife age 65 or over; husband under 65.....	371,017	6,467,672	1,143,458	1,142,612	249,213	753,601
Separate returns of husbands and wives, total..	107,630	1,237,411	230,785	230,531	61,086	92,768
Filed by husbands.....	59,434	650,869	127,931	127,681	32,447	48,519
Filed by wives.....	48,196	586,541	102,852	102,850	28,639	44,249
Returns of heads of households, total.....	122,339	1,654,332	348,222	348,221	85,220	183,237
Filed by men.....	38,070	524,909	113,446	113,445	31,194	61,866
Filed by women.....	84,269	1,129,424	234,776	234,776	54,026	121,371
Returns of surviving spouses, total.....	2,160	56,551	6,549	6,549	*1,662	*5,170
Filed by men.....	*741	*35,658	*2,291	*2,291	*244	*348
Filed by women.....	*1,419	*20,893	*4,258	*4,258	*1,418	*4,821
Returns of single persons, total.....	3,495,956	38,941,846	7,066,476	7,039,936	2,578,100	5,438,544
Filed by men.....	910,254	10,449,601	1,845,319	1,835,785	670,523	1,390,966
Filed by women.....	2,585,702	28,492,244	5,221,157	5,204,151	1,907,577	4,047,578
	Returns with itemized deductions					
Marital status and sex of taxpayer	Number of returns	Total itemized deductions	Zero bracket amount		Excess itemized deductions	
			Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total.....	1,925,961	15,764,691	1,831,895	5,256,059	1,904,098	10,125,456
Joint returns of husbands and wives, total.....	1,140,864	10,404,632	1,106,688	3,664,860	1,126,496	6,545,355
Both age 65 or over.....	586,151	5,745,495	565,072	1,866,559	575,297	3,766,061
Husband age 65 or over; wife under 65.....	466,622	4,041,728	457,611	1,514,200	463,108	2,460,459
Wife age 65 or over; husband under 65.....	88,091	617,408	84,005	284,101	88,091	318,835
Separate returns of husbands and wives, total..	34,146	181,068	33,381	54,380	33,395	123,570
Filed by husbands.....	18,074	106,736	17,311	28,943	18,024	76,055
Filed by wives.....	16,072	74,332	16,070	25,437	15,371	47,514
Returns of heads of households, total.....	26,993	172,844	26,990	60,935	25,618	110,767
Filed by men.....	6,405	49,406	6,402	14,725	6,405	34,675
Filed by women.....	20,588	123,438	20,588	46,211	19,213	76,093
Returns of surviving spouses, total.....	*498	*6,089	*498	*1,693	*498	*4,395
Filed by men.....	†	†	†	†	†	†
Filed by women.....	†	†	†	†	†	†
Returns of single persons, total.....	723,460	5,000,058	664,338	1,474,191	718,091	3,341,368
Filed by men.....	168,806	1,266,364	153,606	349,246	168,295	878,773
Filed by women.....	554,654	3,733,694	510,732	1,124,945	549,796	2,462,595

Footnotes at end of table.

Table 4A.--Returns of Taxpayers Age 65 or Over: Selected Tax Items by Marital Status and Sex of Taxpayer--Continued  
 [figures are estimates based on samples--money amounts are in thousands of dollars]

Marital status and sex of taxpayer	Taxable income		Total tax preferences		Additional tax for tax preferences	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
All returns, total.....	7,894,265	97,215,351	94,252	5,782,433	37,978	250,405
All returns of husbands and wives, total.....	4,442,990	65,885,896	69,092	4,134,781	27,042	189,419
Both age 65 or over.....	2,347,719	34,177,142	42,583	2,549,779	17,589	110,835
Husband age 65 or over; wife under 65.....	1,762,053	26,607,342	23,788	1,452,378	8,409	71,650
Wife age 65 or over; husband under 65.....	333,218	5,101,412	2,721	132,624	1,044	6,934
Separate returns of husbands and wives, total..	94,467	932,828	315	40,213	440	2,144
Filed by husbands.....	49,758	488,832	251	30,693	98	1,221
Filed by wives.....	44,709	443,996	64	9,520	342	923
Returns of heads of households, total.....	112,210	1,219,063	603	60,331	434	4,444
Filed by men.....	37,596	379,993	311	47,258	177	3,428
Filed by women.....	74,614	839,070	292	13,073	*257	*1,016
Returns of surviving spouses, total.....	2,160	45,607	+	+	+	+
Filed by men.....	*741	*29,024	+	+	+	+
Filed by women.....	*1,419	*16,583	-	-	-	-
Returns of single persons, total.....	3,242,438	29,131,957	24,241	1,547,055	10,061	54,397
Filed by men.....	824,129	7,926,728	6,611	332,158	2,277	15,669
Filed by women.....	2,418,309	21,205,229	17,630	1,214,897	7,784	38,728

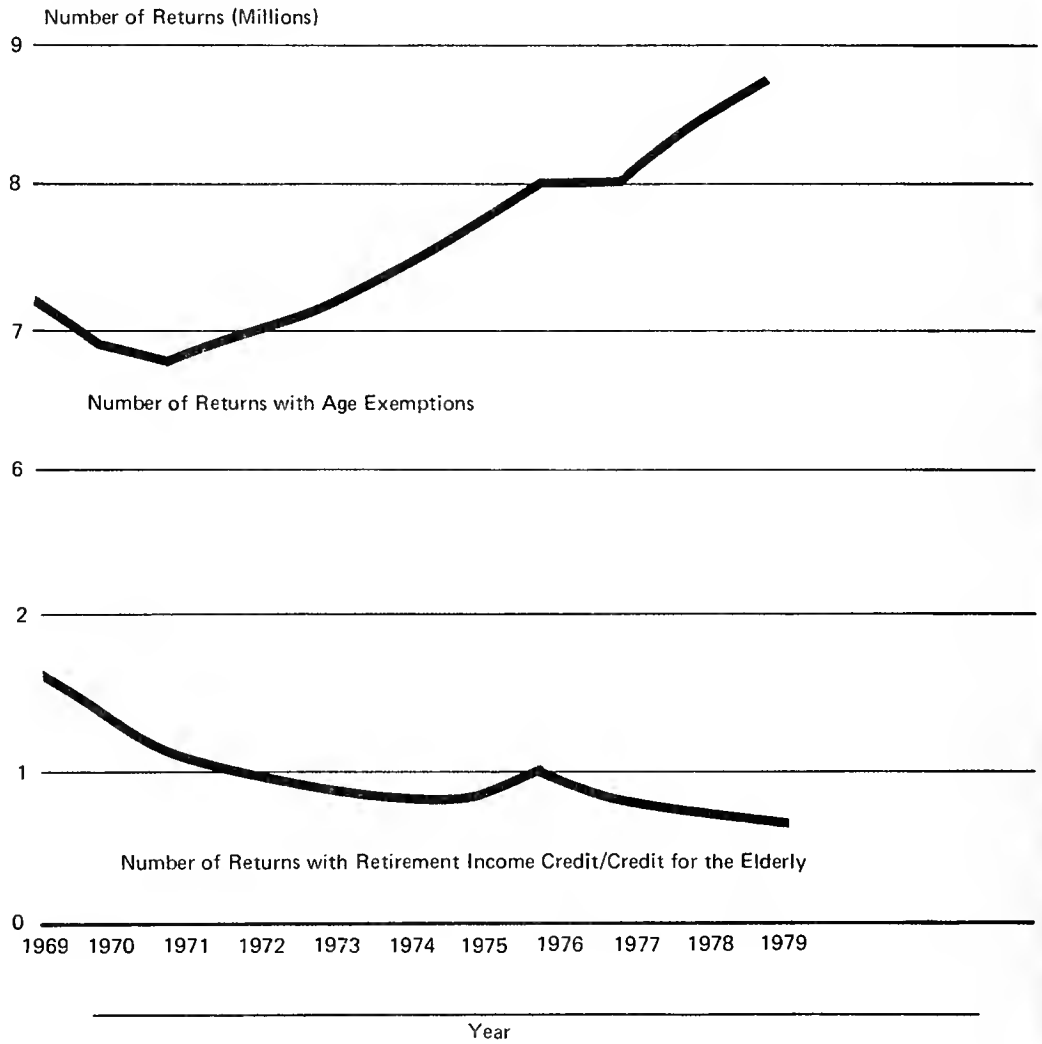
Marital status and sex of taxpayer	Income tax after credits		Total income tax	
	Number of returns	Amount	Number of returns	Amount
	(19)	(20)	(21)	(22)
All returns, total.....	6,176,549	21,859,240	6,181,511	22,109,644
All returns of husbands and wives, total.....	3,422,813	15,230,076	3,426,949	15,419,495
Both age 65 or over.....	1,746,434	8,257,786	1,749,651	8,368,621
Husband age 65 or over; wife under 65.....	1,405,059	5,975,810	1,405,899	6,047,460
Wife age 65 or over; husband under 65.....	271,320	996,480	271,399	1,003,414
Separate returns of husbands and wives, total..	72,957	254,941	73,285	257,085
Filed by husbands.....	38,225	130,559	38,263	131,780
Filed by wives.....	34,732	124,382	35,022	125,305
Returns of heads of households, total.....	82,851	269,993	82,875	274,436
Filed by men.....	24,043	90,559	24,066	93,987
Filed by women.....	58,808	179,433	58,809	180,449
Returns of surviving spouses, total.....	*1,916	*11,725	*1,916	*11,726
Filed by men.....	*497	*9,570	*497	*9,571
Filed by women.....	*1,419	*2,155	*1,419	*2,155
Returns of single persons, total.....	2,596,012	6,092,505	2,596,486	6,146,902
Filed by men.....	656,745	1,768,173	656,897	1,783,842
Filed by women.....	1,939,267	4,324,331	1,939,589	4,363,060

Estimate should be used with caution because of the small number of sample returns on which it is based.  
 Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate  
 cells.

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

Figure 4A

Number of Returns with Age Exemptions, and Number with Retirement Income Credit/Credit for the Elderly, 1969-1979



















**Table 4.2 — Itemized Deduction Returns of Taxpayers Age 65 or Over: Itemized Deductions by Type and 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	Income tax before credits		Credits		Income tax after credits		Total income tax			
	Number of returns (53)	Amount (54)	Number of returns (55)	Amount (56)	Number of returns (57)	Amount (58)	Number of returns (59)	Amount (60)	Number of returns (61)	Amount (62)
<b>Total</b>	1,694,234	15,544,149	53,165	240,703	40,394	6,322	1,666,474	15,303,448	1,670,715	15,512,827
Under \$2,000	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000	32	2	—	—	—	—	—	—	—	—
\$4,000 under \$6,000	35,453	2,484	13,153	529	6,544	303	29,176	1,955	29,196	2,139
\$6,000 under \$8,000	75,985	18,372	19,098	2,020	10,946	113	29,760	1,352	69,782	17,251
\$8,000 under \$10,000	82,062	32,697	21,671	1,890	3,197	193	7,649	30,807	74,846	30,857
\$10,000 under \$12,000	113,848	78,197	21,710	2,409	4,445	595	113,004	73,792	113,005	75,826
\$12,000 under \$14,000	121,201	116,124	29,841	3,142	3,524	328	118,724	112,981	118,725	112,982
\$14,000 under \$16,000	104,289	133,023	26,059	3,072	5,558	462	103,474	129,950	103,892	130,547
\$16,000 under \$18,000	101,351	164,449	30,828	3,056	1,436	190	100,247	161,393	100,247	161,500
\$18,000 under \$20,000	100,829	211,354	27,462	3,643	—	—	100,144	207,711	100,847	208,328
\$20,000 under \$25,000	193,255	516,617	43,970	8,280	500	193	192,790	508,337	193,190	509,079
\$25,000 under \$30,000	160,218	653,093	43,476	13,565	1,477	533	159,761	639,528	160,869	641,602
\$30,000 under \$50,000	334,313	2,350,967	109,915	26,235	2,066	613	334,128	2,324,633	334,320	2,339,668
\$50,000 under \$100,000	190,033	3,505,463	91,071	51,705	692	248	189,400	3,453,760	189,986	3,490,038
\$100,000 under \$200,000	57,743	2,742,198	35,976	42,712	9	13	57,632	2,730,107	58,006	2,778,729
\$200,000 under \$500,000	19,302	2,363,098	13,898	38,243	—	—	19,238	2,345,155	19,364	2,387,990
\$500,000 under \$1,000,000	3,082	646,334	2,081	21,523	—	—	3,077	924,831	3,097	947,786
\$1,000,000 or more	1,238	1,658,895	1,042	18,682	—	—	1,236	1,640,153	1,240	1,678,481
All returns summary	8,802	226	5,279	180	3,319	139	3,877	46	3,967	89
Under \$5,000	184,730	53,329	48,643	4,259	17,368	1,872	169,732	49,070	169,910	50,160
\$5,000 under \$10,000	291,437	260,325	66,145	7,569	13,215	2,519	288,109	252,756	288,123	292,940
\$10,000 under \$15,000	250,081	442,822	69,755	7,750	1,748	203	247,484	435,071	248,593	436,543
\$15,000 under \$20,000	959,184	14,787,448	341,829	220,945	4,744	1,590	957,272	14,566,503	960,062	14,773,374

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

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

NOTE: Detail may not add to total because of rounding



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Introduction

Data in this section classify taxpayers by State, based on the address reported on the tax return as described below. For 1979, information is shown for sources of income (table 5.1), itemized deductions (table 5.2), and tax credits and taxpayments (table 5.3). Table 5.4 presents details on the computation of the residential energy credit. Table 5.5 presents data for selected items for all returns and joint returns, classified by both State and size of adjusted gross income.

For 1979, unemployment compensation was a new item on the tax return. Figure 5A shows returns with unemployment compensation as a percent of all returns by State. Generally, only those taxpayers who had other sources of income had to report unemployment compensation. A detailed description of unemployment compensation is given in section 1, "Returns Filed and Sources of Income."

State Data

The tables in this section classify taxpayers according to the State address reported on the tax return, including the District of Columbia and, as described below, Puerto Rico. Returns of service men and women who filed from Army Post Office (APO) and Fleet Post Office (FPO) addresses are classified in a separate category, as are returns of U.S. citizens living in U.S. possessions or abroad.

Residents of Puerto Rico had to file U.S. income tax returns only if they had income from sources outside Puerto Rico or income earned in Puerto Rico as employees of the U.S. Government, and the income on their returns was limited to these amounts. U.S. citizens residing abroad had to file tax returns and indicate the amount of income excluded or deducted even if they ultimately had no tax liability as a result of these reductions to income.

Method of Geographic Coding

Geographic coding of returns for Statistics of Income was based on the address at the top of each tax return. With some exceptions, only the State given in the address determined the classification of the return. Separate codes were used for each of the three categories, APO/FPO, Puerto Rico, and U.S. citizens abroad. In addition, returns showing Washington, D.C. in the address were coded (as Maryland or District of Columbia) according to the street address and ZIP code, rather than on the basis of "District of Columbia," in the address.

Coding returns on the basis of the address alone was subject to certain limitations. Not all taxpayers gave their home address; some reported:

- (1) the address of the tax lawyer or accountant who prepared the return,
- (2) the address of their place of business, or
- (3) a post office box number.

To the extent that such an address was located in a State different from the taxpayer's home, the accuracy of the data was affected.

\*John Kozielc was responsible for the review and analysis of the data in this section. He was assisted by Brenda Harrison.

Figure 5A

Returns with Unemployment Compensation as a Percent of All Returns by State, 1979

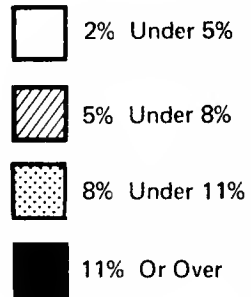
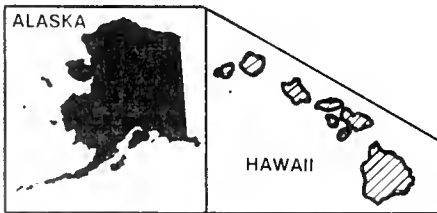
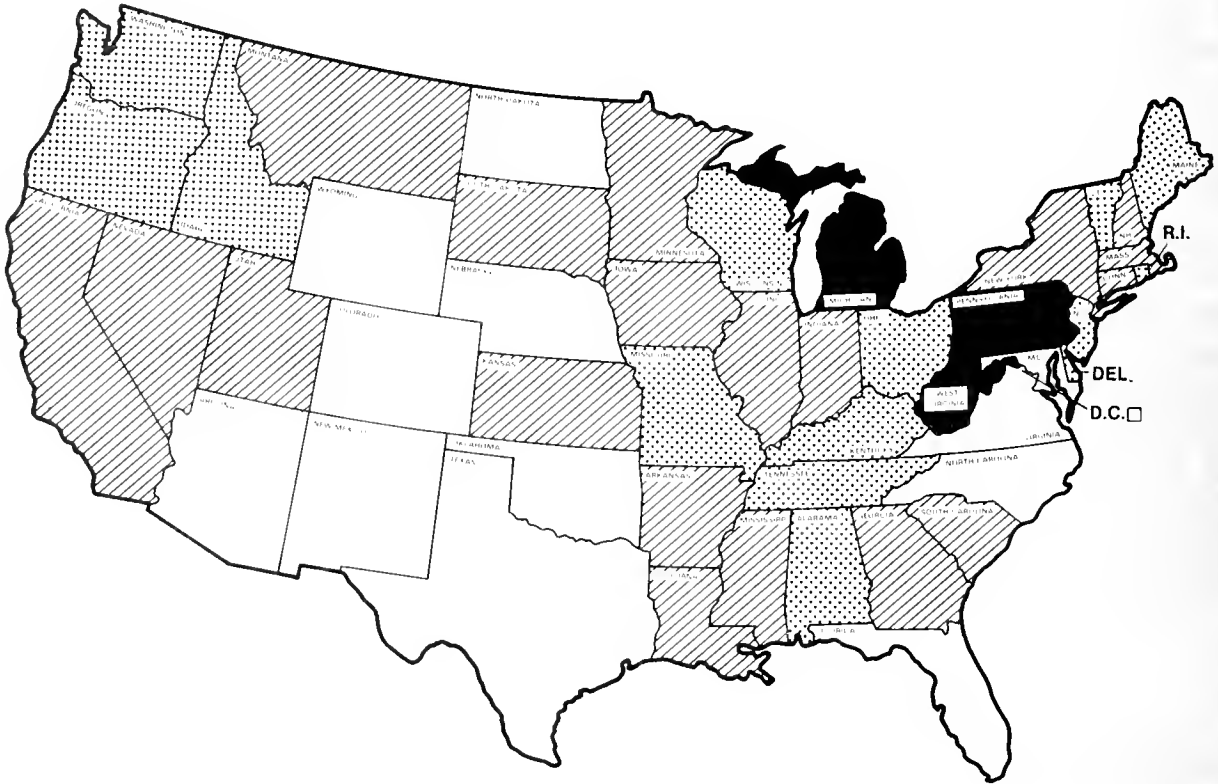




Table 5.1 — Selected Sources of Income and Tax Items, by States — Continued

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

Table with columns for State, Domestic and foreign dividends received, Interest received, Rent net income less loss, Royalty net income less loss, Estate or trust net income, Pensions and annuities, and Amount. Includes a 'United States, total' row and a list of states from Alabama to Wyoming.

Footnotes at end of table

**Table 5.1 — Selected Sources of Income and Tax Items, by States — Continued**

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

State	Small Business Corporation net profit less loss		State income tax refunds		Unemployment compensation		In adjusted gross income	
	Number of returns (29)	Amount (30)	Number of returns (31)	Amount (32)	Number of returns (33)	Amount (34)	Number of returns (35)	Amount (36)
<b>United States, total</b> .....	<b>710,528</b>	<b>2,231,684</b>	<b>10,286,378</b>	<b>3,239,212</b>	<b>6,276,302</b>	<b>7,170,737</b>	<b>1,222,829</b>	<b>994,089</b>
Alabama	7,351	8,574	205,553	44,853	112,814	89,391	12,473	6,247
Alaska	820	1,439	19,544	39,402	31,619	38,173	9,864	11,254
Arizona	6,666	25,167	134,800	26,197	42,412	40,122	4,896	3,407
Arkansas	6,552	37,000	61,332	14,202	61,216	105,676	10,042	5,561
California	45,645	66,619	1,811,209	785,884	595,794	712,994	130,891	123,199
Colorado	15,194	53,057	288,860	94,785	49,857	45,245	12,157	11,346
Connecticut	19,864	71,156	31,820	26,146	104,233	11,859	23,449	9,585
Delaware	2,062	11,029	28,963	10,222	20,189	22,159	4,942	4,207
District of Columbia	2,644	-15,856	23,230	15,770	9,186	13,024	1,112	962
Florida	52,821	282,496	44,967	25,086	139,320	157,895	18,551	16,770
Georgia	16,528	32,648	214,681	51,002	153,710	117,687	21,831	15,517
Hawaii	3,505	18,570	80,090	26,147	26,643	29,854	7,133	7,332
Idaho	3,951	20,022	45,415	11,755	28,620	29,112	4,638	3,377
Illinois	38,396	175,780	444,651	44,342	289,807	427,174	78,080	93,075
Indiana	33,644	204,074	131,060	11,946	134,470	133,581	33,846	24,447
Iowa	11,139	73,230	250,418	69,946	61,149	57,718	14,431	8,904
Kansas	7,894	4,554	139,777	25,049	51,404	49,393	10,437	6,964
Kentucky	11,028	51,028	216,318	51,989	121,141	115,687	20,765	10,811
Louisiana	7,302	11,856	67,680	7,847	79,976	104,533	11,378	10,492
Maine	3,984	-8,984	32,563	7,743	41,824	34,379	5,577	2,486
Maryland	13,251	30,860	358,235	128,777	88,350	85,060	21,619	15,022
Massachusetts	10,727	-1,230	294,526	54,966	148,441	159,550	22,449	20,866
Michigan	21,035	53,349	615,902	45,197	433,992	457,598	28,474	88,887
Minnesota	18,198	126,494	413,747	180,651	103,371	140,502	16,189	16,189
Mississippi	6,637	56,348	59,889	10,339	49,691	54,002	3,801	2,591
Missouri	24,608	81,862	199,104	30,733	167,197	135,064	25,896	17,617
Montana	7,150	15,771	46,242	11,436	25,013	24,842	4,035	3,453
Nebraska	8,164	17,283	70,956	14,597	23,359	19,756	*2,316	*2,620
Nevada	2,748	2,374	5,433	2,470	22,045	24,193	4,193	2,784
New Hampshire	1,470	1,557	12,153	2,455	28,695	29,231	4,116	1,896
New Jersey	35,526	96,372	442,633	100,485	287,151	408,548	65,825	76,662
New Mexico	4,024	13,233	50,581	12,466	19,067	21,111	1,026	643
New York	76,581	98,015	1,336,285	539,241	591,900	696,690	108,153	100,492
North Carolina	15,950	-2,103	275,671	79,324	105,939	59,545	13,333	4,722
North Dakota	3,576	25,611	15,821	6,491	13,218	14,098	1,885	1,171
Ohio	22,149	100,424	272,916	27,007	385,526	536,288	92,339	67,132
Oklahoma	11,869	81,226	106,365	26,804	45,357	48,172	3,042	1,283
Oregon	9,641	41,950	235,698	76,315	104,848	88,489	17,052	12,018
Pennsylvania	23,269	-35,984	41,024	10,108	561,030	708,483	86,155	62,554
Rhode Island	1,160	12,435	38,767	7,644	42,447	52,750	5,007	6,380
South Carolina	7,376	14,489	132,266	41,109	60,304	55,570	7,603	6,106
South Dakota	3,083	16,242	21,445	740	14,376	9,633	7,757	*503
Tennessee	7,623	44,729	6,562	4,394	148,377	167,630	18,161	10,246
Texas	31,342	56,387	15,225	5,933	202,827	202,827	27,851	18,237
Utah	5,339	9,271	92,525	22,713	31,450	36,063	5,664	4,982
Vermont	2,257	-1,148	18,583	5,416	13,910	20,783	999	496
Virginia	13,968	31,154	350,856	101,703	79,944	105,857	13,050	16,357
Washington	10,906	56,609	27,689	10,526	142,766	154,726	29,539	22,752
West Virginia	2,592	17,039	35,465	7,732	77,423	84,050	15,612	7,354
Wisconsin	7,737	29,092	399,962	152,356	161,109	142,279	31,656	19,973
Wyoming	3,886	20,555	4,044	935	7,339	6,309	2,449	1,907
APO/FPO	1	*32	*1,930	*290	*319	*1,153	*1,319	*232
U.S. Citizens abroad <sup>1</sup>	292	-5,101	6,660	2,700	*11	*33	—	—

Footnotes: at end of table











Table 5.2 — All Returns, Returns with Zero Bracket Amount Only, and Returns with Itemized Deductions by Type, by States — Continued

Table with columns: State, Total, Interest paid deduction, Home mortgage, Total, Miscellaneous deductions, and Union dues. Rows include United States, total and various states like Alabama, Alaska, Arizona, etc.

\* 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. Returns filed from Army Post Office and Fleet Post Office addresses. Returns filed by U.S. citizens living in the U.S. possessions or abroad. NOTE: Detail may not add to total because of rounding.





















Table 5.5 — All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States — Continued

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

Table with columns for Number of returns, Adjusted gross income less deficit, Salaries and wages, Total income tax, Adjusted gross income less deficit, Total income tax, Number of returns, Number of exemptions, Number of returns, Number of exemptions, Total income tax, Number of returns, Number of exemptions, Total income tax, Number of returns, Number of exemptions, Total income tax, Number of returns, Number of exemptions, Total income tax, Total income tax less deficit. Rows are categorized by state (Delaware, District of Columbia, Florida, Georgia) and income level (Total, Under \$5,000, \$5,000 under \$10,000, etc.).

Footnotes) at end of table





Table 5.5 — All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States — Continued

Table with columns for State, Size of adjusted gross income, and various tax metrics (Number of returns, Adjusted gross income, Salaries and wages, Total income tax, etc.). Rows are categorized by state: Maine, Maryland, Massachusetts, and Michigan.

Footnotes: a, end of table







Table 5.5 — All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States — Continued

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

Table with 16 columns: (1) Number of returns, (2) Adjusted gross income less deficit, (3) Salaries and wages, (4) Amount, (5) Total number of exemptions, (6) Number of age or blindness, (7) Number of returns, (8) Amount, (9) Number of returns, (10) Adjusted gross income less deficit, (11) Number of returns, (12) Amount, (13) Total number of exemptions, (14) Number of age or blindness, (15) Number of returns, (16) Total income tax. Rows include New Mexico, New York, North Carolina, and North Dakota.

Footnote(s) at end of table



Table 5.5.—All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States—Continued

Table with columns for State, Size of adjusted gross income, and 15 columns of tax data. Rows are grouped by state: Rhode Island, South Carolina, South Dakota, and Tennessee. Each row includes counts of returns, adjusted gross income, salaries and wages, exemptions, total income tax, and total income tax less deferrals.

Footnote(s) at end of table



Table 5.5 — All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States — Continued

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

Main data table with columns for size of adjusted gross income, state (Washington, West Virginia, Wisconsin, Wyoming), and various tax and income metrics (Number of returns, Adjusted gross income, Salaries and wages, Total income tax, etc.)

Footnotes at end of table







Explanations of terms are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or related regulations, procedures, or policies. Code sections cited were those in effect for 1979. Section 9, 1979 Forms and Instructions, provides further information about many of the items in this report. Where appropriate, a cross reference is provided to additional explanatory material found in sections 1 through 5. The terms used in section 8 differ substantially from those used in other sections, and are defined separately in that section.

#### Accelerated Depreciation on Leased Personal Property

See "Tax Preferences."

#### Accelerated Depreciation on Low-Income Rental Housing

See "Tax Preferences."

#### Accelerated Depreciation on Other Real Property

See "Tax Preferences."

#### Additional First-Year Depreciation

See "Partnership Net Profit or Loss."

#### Additional Tax for Tax Preferences

The sum of "Minimum tax" and "Alternative minimum tax." Both terms are explained below.

#### Adjusted Gross Income

This amount was the result of reducing gross income from all sources subject to tax by adjustments such as the following:

- (1) ordinary and necessary expenses of operating a trade or business,
- (2) employee business and moving expenses,
- (3) expense deductions attributable to rents and royalties,
- (4) expenses of outside salesmen attributable to earning a salary, commission, or other compensation,
- (5) depreciation and depletion allowed life tenants and income beneficiaries of property held in trust,
- (6) exclusion of allowable "disability income" if the disability income was included in gross salary,
- (7) deductible losses from sales of capital assets and other property,
- (8) deductible portion of the excess of net long-term capital gain over net short-term capital loss,
- (9) excludable portion of qualified dividends (up to \$100 per taxpayer),
- (10) business net operating loss deduction,

(11) contributions to a self-employed retirement fund ("Keogh Plan") by the self-employed, and to individual retirement arrangements by employees or self-employed persons,

(12) forfeited interest penalties, incurred by persons who made premature withdrawals of funds from time savings accounts,

(13) alimony payments,

(14) exclusion of the ordinary income portion (in contrast to the amount treated as long-term capital gain) of the taxable amount of a lump-sum distribution from a qualified pension or retirement plan, taxed separately from other sources of income at the taxpayer's election, and

(15) deductions for certain excess costs of living abroad.

A deficit occurred when the allowable deductions or losses exceeded gross income.

#### Adjustments

See "Statutory Adjustments."

#### Age 65 or Over

The presence of the additional exemption allowed taxpayers age 65 or over was used as the basis of this classification. In the case of joint returns of husbands and wives, some had only one additional exemption for age 65 or over while others had two additional exemptions for age, indicating that both husband and wife were age 65 or more. Whether one or two exemptions were claimed, the return was considered as a return of a taxpayer age 65 or over. (See also section 4, Taxpayers Age 65 or Over.)

#### Alimony

Payments received as alimony or separate maintenance were income to the person receiving them and an adjustment to gross income for the person paying them if the payments were:

- (1) required under the terms of a decree of divorce or separation or a written instrument incident to that decree;
- (2) paid in discharge of a legal obligation based on the marital relationship;
- (3) paid after the decree and on a periodic basis.

#### All Other Taxes

For purposes of this report, this amount represents the sum of the self-employment tax, tax from recomputing prior-year investment credit, social security taxes on tip income, any penalty taxes on individual retirement arrangements (IRA's), and any other unspecified taxes. This was in contrast to the "other taxes" portion of the Form 1040 itself, which was composed of the taxes listed above plus the minimum and alternative minimum taxes and the advance

earned income credit payments received. The minimum and alternative minimum taxes are tabulated in this report as part of "total income tax" and serve as part of the requirements for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing balance due or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax" in this section.)

#### Alternative Minimum Tax

This was a tax on the sum of alternative tax preferences (explained below) and taxable income, reduced by the zero bracket amount. For 1979, four graduated rates (from 0 percent to 25 percent) were applied to this sum. The result was then reduced by income tax after credits, the minimum tax, and taxes from recomputing prior year investment and work-incentive credits. (For more details, see section 3, Tax Computation and Tax Rates.)

#### Alternative Tax Preferences

This item consisted of the itemized deductions tax preference and the capital gains tax preference. It was used in the computation of the alternative minimum tax.

The itemized deductions tax preference was computed by reducing total itemized deductions by deductions for medical and dental expenses, deductions for taxes, and deductions for casualty and theft losses. Adjusted gross income was then reduced by the same three deduction items. The extent by which the reduced itemized deductions exceeded 60 percent of the reduced adjusted gross income was considered an itemized deduction tax preference.

The capital gains deduction was that portion (generally 60 percent) of the excess of net long-term capital gains over net short-term capital losses which was excluded from adjusted gross income. See also "Sales of Capital Assets" below.

#### Amortization of Child Care Facilities

See "Tax Preferences."

#### Amortization of On-the-Job Training Facilities

See "Tax Preferences."

#### Amortization of Pollution Control Facilities

See "Tax Preferences."

#### Amortization of Railroad Rolling Stock

See "Tax Preferences."

#### Bad Debt Reserves

See "Tax Preferences."

#### Balance Due After Remittance

This amount was the difference between "tax due at time of filing" and the remittance tendered by the taxpayer with the return ("tax paid with return").

#### Blindness Exemptions

See "Exemptions."

#### Business Energy Investment Credit

The Energy Tax Act of 1978 provided for an additional 10 percent investment credit for business energy property acquired and placed into service or constructed after September 30, 1978. Property eligible for the energy investment credit had to have a useful life of 3 years or more and had to fall into one of the six following categories: (1) alternative energy property, (2) solar or wind energy property, (3) specifically defined energy property, (4) recycling equipment, (5) shale oil equipment, or (6) equipment for producing natural gas from geo-pressured brine. Each of these types of property was further defined by the Act. In addition, the Act specified that, in certain situations, property eligible for the energy investment credit did not qualify for the regular investment credit.

Under the law, two separate parts of the business energy investment credit were distinguished—one for solar and wind property and the other for the remaining five categories of qualifying property. For all categories of the business energy property other than solar and wind property, the credit was 10 percent of the investment in the energy property. This amount was then added to any credit computed for regular investment credit purposes and, as such, could only be used to reduce "income tax before credits." This amount is shown in the statistics as "business energy investment credit, nonrefundable portion." For solar and wind property, the credit was again 10 percent of the investment. However, this portion was not included in the regular investment credit, but rather was treated as a taxpayment used to reduce "total tax liability," which could be refunded to the taxpayer. This amount is shown in the statistics as "business energy investment credit, refundable portion." (See also section 3, Tax Computation and Tax Rates.)

Additional information on the business energy investment credit will be available from Statistics of Income--1979/1980, Sole Proprietorship Returns.

#### Business or Profession Net Profit or Loss

This source of income was reported by individuals who were sole proprietors of a nonfarm business or self-employed members of a profession. When there were two or more sole proprietorships operated by the same taxpayer(s), the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all business activities. The proprietor was required to exclude investment income from business profits and to include it, instead, with the various types of investment income for which separate provision was made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net profit. The deduction of net operating losses from other years was not considered a business expense, but was offset, instead, against "other income" on the proprietor's income tax return.

Information on business receipts and expenditures can be found in Statistics of Income--1979/1980, Sole Proprietorship Returns.

#### Capital Assets

See "Sales of Capital Assets."

Capital Gain Distributions Reported on Form 1040

These distributions included the following:

(1) Long-term capital gains credited or distributed to individual taxpayers by regulated investment companies (mutual funds). Gains credited but not distributed were reported as income, but the taxpayer was also credited with the amount of tax paid on the gains by the regulated investment company (mutual fund);

(2) Long-term capital gains distributed by real estate investment trusts.

Normally, taxpayers would have reported these distributions on the supporting schedule used for this type of income (Schedule D, Capital Gains and Losses). However, if the taxpayers did not need Schedule D to report any other gains or losses, they then entered 40 percent of the capital gain distributions directly on line 15, page 1 of Form 1040.

For purposes of this report, "capital gain distributions reported on Form 1040" are tabulated as part of "sales of capital assets" and are reflected in the long-term capital gain and loss and net capital gain and loss data. (See also "Sales of Capital Assets" in this section.)

Capital Gain Distributions Reported on Schedule B

To the extent that the taxpayer received more than \$400 in dividends and other distributions, he or she was to fill in a Schedule B-Interest and Dividend Income, and show separately the capital gain distributions carried either to Schedule D or the Form 1040. See also "Capital Gain Distributions Reported on Form 1040."

Capital Gains and Losses

See "Sales of Capital Assets."

Capital Gains Tax Preference

See "Alternative Tax Preferences."

Capital Loss Carryover

See "Sales of Capital Assets."

Carryover from Prior Years Deduction

See "Contributions Deduction."

Cash Contributions Deduction

See "Contributions Deduction."

Casualty and Theft Loss, Net

Personal casualty and theft losses not compensated for by insurance were deductible from adjusted gross income to the extent that the loss for each casualty or theft exceeded \$100. A casualty was defined as complete or partial destruction of property resulting from an identifiable event of a sudden, unexpected, or unusual nature. While this deduction is shown separately in this report, it is also tabulated as a part of "miscellaneous deductions."

Child Care Credit

This credit was claimed by taxpayers who incurred expenses for the care of dependent children under age 15 (or other dependents or spouses who were disabled) while these taxpayers were working. Qualifying expenses included both those for services performed

within the home (such as for babysitters, maids, and cooks) and, in the case of children under age 15, services outside the home, such as those performed by day-care centers or nursery schools.

The actual credit equalled 20 percent of the smallest of the following three amounts:

(1) total qualifying expenses, as described above;

(2) earned income while these expenses were being incurred; for this purpose, "earned income" meant salaries, wages, tips, and other employee compensation plus net earnings from self-employment. In the case of a married couple, neither of whom was disabled, the lower of the two earned incomes had to be used; couples with only one earned income, or who did not file a joint return, did not qualify for the credit unless one spouse was a full time student at an educational institution during each of 5 calendar months during the tax year;

(3) \$2,000 (\$4,000 if the expenses incurred were for care of two or more qualifying dependents).

The child care credit was not refundable and was limited to income tax before credits minus the credit for the elderly, foreign tax credit, investment credit, work incentive (WIN) credit, and political contributions credit.

Contributions Deduction

Contributions deductible from adjusted gross income were gifts, in the form of cash or property ("other than cash" contributions), to (a) organizations created in the United States or its possessions, or under its laws, and operated for religious, charitable, scientific, literary, or educational purposes exclusively, or for the prevention of cruelty to children or animals, (b) veterans' organizations, and (c) governmental agencies which used the gifts for public purposes. Individuals who were members of a partnership also included their pro-rata share of partnership contributions.

In general, a deduction was allowed for all contributions up to 50 percent of adjusted gross income, with the exception of contributions to private non-operating foundations which were subject to a 20 percent limitation. However, contributions of certain capital assets which had appreciated in value were subject to a 30 percent limitation unless the taxpayer elected to take the unrealized appreciation into account for tax purposes by reducing the contribution deduction by 50 percent of the potential long-term capital gain on a sale of the property. Contributions exceeding the 50 (or 30) percent limitation could be carried over to be deducted in the next 5 years. (Contributions subject to the 20 percent rule could not be carried over.) Therefore, in addition to contributions made in 1979, the statistics also include amounts carried over from 1974-1978 that were within the current year's percentage limitations.

Credit Card Interest Deduction

See "Interest Paid Deduction."

Credit for Tax on Certain Gasoline, Fuel, and Oil

This was a credit allowed in full or in stated amounts by section 39 of the Internal Revenue Code for excise taxes paid on: (1) gasoline used on farms for farming purposes, (2) gasoline used for nonhighway purposes or by local transit systems, (3) lubricating oil used for nonhighway purposes, and (4) specified fuels which were either used for certain purposes other than the purpose for which they were sold, or resold during the taxable year. These taxes could be applied as a credit to reduce the income tax liability when the return was filed (with any amount

in excess of the tax liability refunded) or refunded during the taxable year if the credit for any fuel category or any lubricating oil in any of the first three quarters of the year was at least \$1,000.

#### Credit for the Elderly

The credit for the elderly was available to all taxpayers age 65 or over (within certain income limitations) and to those taxpayers under age 65 who received a taxable pension or annuity from a public retirement system (also within certain income limitations). The credit equalled 15 percent of the taxpayer's income, the amount of which was determined under one set of rules for taxpayers age 65 or over and under another set of rules for government retirees under age 65. A governmental retiree (under age 65) whose spouse was 65 or older could use whichever set of rules resulted in the larger credit.

#### Credit from Regulated Investment Companies

The taxpayer was instructed to include in gross income any amounts which were allocated to him or her as capital gain dividends, even if they were not actually received. If the investment company paid a tax on the capital gain, the taxpayer was entitled to claim a refundable credit for his or her proportionate share of the tax.

#### Credit on 1980 Estimated Tax

This credit was part of the overpayment on 1979 tax which taxpayers specifically requested to be credited to their estimated tax for 1980. (See also "Overpayment" in this section.)

#### Deduction for Expense of Living Abroad

In order to give U.S. citizens living and working abroad equitable tax treatment with those individuals working in the United States, a statutory adjustment to gross income for an employee's excess cost of living abroad was provided for by the Foreign Earned Income Act of 1978. The deduction was limited, in general, to the individual's earned income from sources outside the United States. The amount of the deduction was the sum of the following qualified amounts: (1) cost-of-living differential, (2) housing expenses, (3) schooling expenses, (4) home leave travel expenses, (5) a limited hardship area deduction, and (6) in certain instances, maintenance for a separate household. (See also "Income Earned Abroad" in this section and in section 1, Returns Filed and Sources of Income.)

#### Dependent Exemptions

See "Exemptions."

#### Depletion

See "Tax Preferences."

#### Disability Income Exclusion

The disability income exclusion was available only to taxpayers who retired on disability before age 65, who had not reached age 65 before the close of the taxable year, and who were totally and permanently disabled upon retirement. The maximum exclusion was figured at a weekly rate of \$100. However, if the taxpayer's adjusted gross income, before this exclusion, exceeded \$15,000, the excess reduced the amount of the exclusion dollar-for-dollar. Thus, the exclusion was eliminated entirely for taxpayers whose adjusted gross incomes exceeded \$20,200 (\$25,400 in the case of a married couple filing jointly, where both spouses were eligible for the exclusion).

#### Dividend Exclusion

A taxpayer could exclude up to \$100 of eligible dividends from adjusted gross income. On joint returns, the maximum exclusion was \$200 if both husband and wife received eligible dividends, each excluding up to \$100 against their respective dividend income. For an explanation of eligible dividends, see "Domestic and Foreign Dividends Received" in this section.

#### Dividends and Other Distributions Received

This amount represented the sum of domestic and foreign dividends and, to the extent reported on Schedule B, capital gain distributions and nontaxable distributions.

#### Dividends in Adjusted Gross Income

Total domestic and foreign dividends less the dividend exclusion equalled dividends in adjusted gross income. (See also "Domestic and Foreign Dividends Received" and "Dividend Exclusion" in this section.)

#### Domestic and Foreign Dividends Received

Domestic and foreign dividends received consisted of:

(1) dividends eligible for the dividend exclusion which were dividends received from domestic corporations, either directly or indirectly (e.g., as a beneficiary of income from estates or trusts, or as a partner for his or her distributive share of partnership profits); and

(2) dividends not eligible for the dividend exclusion, which were dividends received from foreign corporations, tax-exempt farmers' cooperatives, real estate investment trusts, and corporations most of whose business was conducted in U.S. possessions.

Domestic and foreign dividends did not include capital gain distributions from regulated investment companies and real estate investment trusts, nontaxable distributions of stock or stock rights, return of capital, or liquidation distributions. Taxpayer were also instructed to exclude so-called dividend on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions, and patronage dividends declared by farmers' cooperatives and other cooperative organizations.

#### Earned Income Credit

The Tax Reduction Act of 1975 provided for an "earned income credit," available for Tax Year 1976 to low-income workers who maintained a household and had dependent children whom they claimed as exemptions. This credit was based on earned income consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment, and was intended to offset the impact of social security taxes on low-income individuals and to encourage them to obtain employment. The Tax Reform Act of 1976 subsequently continued the earned income credit for Tax Years 1976 and 1977 and liberalized the requirements for claiming the credit. The Tax Reduction and Simplification Act of 1977 extended the earned income credit through taxable years ending in 1978. The Revenue Act of 1978 made the credit a permanent feature of the tax law and also increased the amount of the credit.

The maximum credit was 10 percent of the first \$5,000 of earned income, or \$500, and was reduced by an amount equal to 12.5 percent of the taxpayer's adjusted gross income or earned income, whichever was larger, above \$6,000. Thus, at the \$10,000 adjusted gross income level (or earned income level) the credit was eliminated.

Taxpayers who met the following five conditions were eligible to claim the earned income credit if they:

- (1) had less than \$10,000 of adjusted gross income or earned income, whichever was larger,
- (2) maintained a household which was the principal place of abode for the taxpayer and either a child who was under 19 years of age or was a full-time student, or a dependent child who was disabled,
- (3) were not entitled to exclude from gross income any amount of income earned from sources outside the United States or from sources within U.S. possessions,
- (4) had a taxable year that represented a full 12 months, and
- (5) filed a joint return if married.

The earned income credit was unique in that it could result in a refund to the extent it was not used to offset the income tax liability. Thus, even if an individual was not otherwise required to file a return, it was to his or her benefit to do so and to claim the earned income credit. For purposes of this report, the earned income credit was divided into three parts: that used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); that used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion.

#### Employee Business Expenses

An employee was allowed a deduction in arriving at adjusted gross income for business expenses incurred in connection with any employment. This deduction was reported as an "adjustment" to income on the tax return and should be distinguished from employee expenses includable in "miscellaneous deductions," an itemized deduction from adjusted gross income. Expenses which qualified for the adjustment included:

- (1) cost of travel, meals, and lodging while away from home in the performance of service as an employee,
- (2) any other expenses to the extent covered by a reimbursement or expense allowance arrangement with the employer,
- (3) business transportation costs, other than commuting, and
- (4) outside salespersons' expenses of soliciting business for the employer.

If employees accounted for deductible expenses to their employers, they were not required to report the reimbursement in income, except for any amount of reimbursement in excess of expenses.

Certain expenses of employees, such as work clothes, union dues, and employment agency fees, were not deductible in the computation of adjusted gross income, but were deductible as itemized deductions in the computation of taxable income. These expenses were included in "miscellaneous itemized deductions."

#### Estate or Trust Net Income or Loss

This was the beneficiaries' share of fiduciary income (with the exception of the items described below which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed and amounts credited to beneficiaries' accounts from current-year fiduciary income, whether or not actually received.

Also included was the beneficiaries' share of any accumulation distribution made in the current year by the fiduciary of a complex trust for income accumulated in prior tax years. Beneficiaries' share of these distributions was reduced by their share of depletion and depreciation deductions before reporting the net amount as part of adjusted gross income.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from an estate or trust) was included on the tax return on the separate lines provided for these income types and was not identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust which, for its last tax year, (a) still had a net operating loss carryover or a capital loss carryover, or (b) had deductions (other than those for exemptions and charitable contributions) in excess of gross income.

Data shown for 1979 include the number of returns showing just net income received from all estates or trusts and the number showing just the net loss from all estates or trusts. In other words, if a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labelled "net income" and "net loss" represent, as they do annually, the sum of all income and loss reported from all estates or trusts, i.e., the net amount, on a return-by-return basis.

Additional information on estate or trust income can be found for selected years in Statistics of Income--Fiduciary Income Tax Returns.

#### Estimated Tax Payments

These payments, summarized on the individual income tax return, were paid quarterly based on the 1979 Declaration of Estimated Income Tax, Form 1040ES. The amount reported included any credit which was applied against the estimated tax by reason of an overpayment of the 1978 tax liability.

#### Excess Itemized Deductions

This deduction concept represented the amount by which total itemized deductions exceeded the zero bracket amount. (See also "Form of Deduction," "Total Itemized Deductions," and "Zero Bracket Amount" in this section and "Itemized Deductions" in section 2, Deductions and Exemptions.)

#### Excess Social Security Taxes Withheld

For 1979, if the total social security (FICA) tax withheld was greater than \$1,403.77 because an employee worked for more than one employer, the excess could be taken as a credit toward payment of an employee's income tax. Any amount in excess of tax liability was refundable. In the case of a joint return, the credit was computed separately for each taxpayer.

#### Exemptions

In the computation of taxable income, a \$1,000 deduction was allowed for each exemption claimed.

An exemption was allowed for each taxpayer shown on a return (on joint returns, husband and wife were each regarded as a taxpayer). If either husband or wife filed a separate return, the spouse's exemption could be claimed on that return only if that spouse did not file a return, had no gross income, and was not the dependent of another taxpayer. Additional exemptions were allowed for the taxpayer or spouse who indicated either being age 65 or over or blind, or both.

Exemptions were also allowed for qualified dependents. In general, an individual qualified as a dependent if that person had gross income less than \$1,000 (\$1,000 or more if in category (2) below), received more than half his or her support from the

taxpayer, was related to the taxpayer (such as a son, daughter, or parent), or lived in the taxpayer's home as a member of the household for the whole year.

The total number of exemptions shown in this report includes some duplication. This occurred in the case of:

(1) dependents other than children who had gross income less than \$1,000, but filed a return to obtain a refund of tax withheld on wages,

(2) dependent children with unearned income of \$1,000 or more (dividends, interest, capital gains, and the like), and

(3) dependent children under 19 years of age or students regardless of age who either (a) were required to file a return because their gross income was \$3,300 or more, or (b) had gross income of less than \$3,300, all of it earned income, and filed a return only to obtain a refund of tax withheld on wages.

In each of these instances individuals were counted twice, as taxpayers filing their own returns and as dependents on another taxpayer's return. (See also section 2, Deductions and Exemptions.)

#### Exclusion (Minimum Tax)

See "Tax Preferences Subject to Tax."

#### Farm Net Profit or Loss

This source of income was reported by individuals who were sole proprietors of a farm. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all farming activities.

Farm business costs and expenses were deductible from farm gross business receipts in arriving at farm net profit or loss. Excluded from farm net profit or loss were gains from certain sales of livestock and crops which qualified for capital gains treatment, as well as farm rental income. Gains from sales of livestock (other than poultry) qualified for capital gains treatment if the livestock had been held for 12 months or more (in the case of cattle or horses acquired after 1969, for 24 months or more), as long as livestock were held for breeding, dairying, or sporting purposes. Gains from sales of unharvested crops, when sold with the land on which they were growing, qualified for capital gains treatment if the land had been held for 12 months or more. For taxation purposes (and for purposes of this report), these types of income were included in long-term capital gains. On the other hand, farm rental income--that based on crops or livestock produced solely by the tenant, without material participation of the landowner or sublessor in the operation or management of the farm--was included in rents net income or loss.

Additional information on farm receipts and expenditures can be found in Statistics of Income--1979/1980 Sole Proprietorship Returns.

#### Foreign Tax Credit

A credit against income tax was permitted for foreign taxes paid. The credit was for the income and profits taxes paid to foreign countries or U.S. possessions and included the taxpayer's share of such taxes paid through partnerships and fiduciaries.

In general, the tax credit was limited to the same proportion of the income tax before credits as the taxable income from foreign sources bore to the entire taxable income, but could not exceed the foreign taxes paid. In addition, the credit was further limited to income tax before credits minus the credit for the elderly. Amounts in excess of this limita-

tion could be applied against the alternative minimum tax. The remainder could be carried back 2 years and then forward 5 years for use in computing the credit for these years.

Additional information can be found in the Supplemental Report, Statistics of Income--1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns.

#### Forfeited Interest Penalty Adjustment

Taxpayers who had paid penalties for the premature withdrawal of funds from time savings accounts could deduct these penalties as an adjustment to gross income. This allowed taxpayers who used the zero bracket amount only (i.e., standard deduction) to take advantage of this reduction of income.

#### Form of Deduction

For purposes of this classification, returns were categorized into one of three groups: those with nonbusiness itemized deductions, those with a zero bracket amount only (known as standard deduction returns for 1976 and prior years), and those with no deductions. For a return to fall into either of the first two groups, there had to be positive adjusted gross income and in the case of the zero bracket amount only returns, adjusted gross income had to exceed the exemption amount. The reason adjusted gross income had to exceed the exemption amount was that the exemption amount was subtracted from adjusted gross income first, before the zero bracket amount; the zero bracket amount, no longer a deduction from adjusted gross income, was actually the first portion of taxable income, the amount "taxed" at the first, or zero percent, tax rate. Returns in the third group, those with neither itemized deductions nor zero bracket amount only, were either (1) deficit or "breakeven" returns, since there was no income from which to subtract any deductions, or (2) returns with no itemized deductions and with adjusted gross income less than the exemption amount. (See also section 2, Deductions and Exemptions.)

#### Fully Taxable Pensions and Annuities

See "Pensions and Annuities."

#### Fully Taxable Pensions and Annuities Reported on Form 1040

See "Pensions and Annuities."

#### General Sales Taxes Deduction

See "Taxes Paid Deduction."

#### Heads of Households, Returns of

These returns were filed by "unmarried" persons who furnished over half the cost of maintaining a household for the entire year for at least one qualifying relative. Unmarried persons, for purposes of this classification, were defined as single persons, married persons legally separated, certain married individuals living apart but not legally separated, or persons married to nonresident aliens. "Qualifying" relatives, such as children, parents, brothers, and sisters, generally had to qualify as the taxpayer's dependents and had to actually live with the taxpayer. There were two exceptions to this rule. Parents of the taxpayer had to be dependents, but did not have to live in the same household; children of the taxpayer did not have to be dependents, but did have to reside in the same household as the taxpayer.

A special tax rate schedule was provided for heads of households which gave approximately half the benefit of the joint return schedule.

#### Home Mortgage Interest Deduction

See "Interest Paid Deduction."

#### Income Averaging

The standard income averaging computation permitted a part of an unusually large amount of taxable income for any one year to be taxed at lower rates, thus resulting in a lower amount of tax due than would have resulted if the taxpayers had computed their tax using the regular tax computation method. An eligible individual could choose this computation if the "averageable income" for the year was more than \$3,000.

"Averageable income" was the amount by which "adjusted taxable income" exceeded 120 percent of the average "base period income" (the average of taxable income, with certain other adjustments, for the 4 preceding tax years). Briefly, the income averaging computation operated to tax all averageable income at the same rate which applied to the first one-fifth of such income. "Adjusted taxable income" (taxable income for the computation year), from which the averageable income was derived, covered all income except "excess community property income" and certain amounts received by owner employees (see the instructions for Schedule G in section 9, 1979 Forms and Instructions, for definitions). "Base period income" included taxable income and income earned outside the United States or within U.S. possessions which had been excluded from taxation under sections 911 and 931 of the Internal Revenue Code.

#### Income Earned Abroad

A U.S. citizen who was a bona fide resident of a foreign country could choose one of two methods to reduce U.S. taxable income. Both methods were related to earned income received by the taxpayer while living abroad. (See also section 1, Returns Filed and Sources of Income.)

The first method involved the use of an adjustment to gross income for certain expenses incurred while living abroad. The second method allowed a taxpayer who resided in a "camp" established by an employer in a "hardship" area to exclude up to \$20,000 of earned income from gross income. A taxpayer who lived in a camp for the entire year could use the full exclusion amount; otherwise, the amount was determined on a prorated basis according to the number of days during the year in which the taxpayer lived in the camp.

Earned income was defined as wages, salaries, professional fees, and other compensation for personal services actually rendered. It did not include dividends, capital gains, or interest. Earned income paid to U.S. citizens by the U.S. Government was not tax-exempt, nor were pensions or annuities tax-exempt if attributable to employer contributions made for services rendered outside the United States.

Additional information can be found in the Supplemental Report, Statistics of Income--1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns.

#### Income Subject to Tax

For taxpayers using the regular or maximum tax computation methods, income subject to tax was the same as taxable income (adjusted gross income less the personal exemption amount and excess itemized deductions). For taxpayers using the income averaging method, income subject to tax was a reduced amount of taxable income especially computed for the statistics by working backward from the tax itself. (See also section 3, Tax Computation and Tax Rates.)

#### Income Tax After Credits

Income tax after credits was equal to "income tax before credits" minus the credit for the elderly, investment credit, foreign tax credit, work incentive (WIN) credit, political contributions credit, jobs credit, child care credit, residential energy credit, other tax credits (as defined herein), and, for purposes of this report, to the extent that it did not result in a negative amount, the earned income credit. The portion of the earned income credit which did not result in a negative amount is tabulated as "earned income credit used to offset income tax before credits."

#### Income Tax Before Credits

This amount consisted of two components: "tax generated" and "taxes from special computations." Generally, "tax generated" was the tax liability computed on current year "tax table income" or "taxable income" based on:

- (1) the regular tax, whether derived from the tax tables or tax rate schedules,
- (2) the income averaging tax, or
- (3) the maximum tax on personal service income.

"Taxes from special computations" generally were related either to prior-year income or to income that had been excluded from adjusted gross income. As a result, it was possible for a taxpayer to have "income tax before credits" without having "taxable income" (or "tax table income").

#### Income Tax Withheld

Tax withheld included amounts deducted from salaries, wages, tips, and other forms of remuneration. An employer could use either the "percentage" or "wage bracket" method, both of which were based on graduated rates ranging from 14 to 36 percent, or any of the alternative methods permitted by the Internal Revenue Service in determining the amount to be withheld.

In addition to income tax withheld on salaries, as reported on Form W-2, tax withheld from pensions and annuities, as reported on Form W-2P, was included in this amount. Beginning with Tax Year 1977, tax withheld on certain gambling winnings, as reported on Form W-2G, was also included.

#### Individual Retirement Arrangement

For taxable years beginning after December 31, 1974, an individual who was not covered by a qualified private or governmental retirement plan was able to set up an individual retirement arrangement (IRA) (a) at a bank or other qualified financial institution, (b) by investing directly in individual annuity contracts issued by an insurance company, or (c) by investing in special retirement bonds issued by the Federal Government. Contributions to such a plan, which were limited to the lesser of \$1,500 or 15 percent of the individual's earned income (wages, salaries, and net earnings from self-employment), could be deducted from the employee's gross income in arriving at adjusted gross income. Taxpayers could not start withdrawing funds from the account until they reached age 59-1/2 and had to start doing so upon reaching age 70-1/2. Penalty taxes were assessed in the event the taxpayer failed to comply with these limitations.

The Tax Reform Act of 1976 provided for the establishment of an IRA (separate from that of the working spouse) for a nonworking spouse, effective for 1977. The total deduction from gross income in this instance was limited to the smallest of (a) \$1,750, (b) 15 percent of the working spouse's earned income, or (c) twice the smaller amount contributed to either spouse's IRA (thus making it advantageous to contribute the same amount to each IRA).

Intangible Drilling Costs

See "Tax Preferences."

Interest Paid Deduction

Interest paid on personal debts, credit cards, mortgages, bank loans, and installment purchases of real or personal property was deductible, but interest paid on money borrowed to buy tax-exempt securities or single premium life insurance and endowment contracts was not. The amounts deductible as an interest expense included "investment interest" (that amount paid or accrued on indebtedness incurred, or continued, to purchase or carry property held for investment) as reported on Form 4952, subject to the limitations prescribed in the law. Interest relating to business, royalty, and rental income was deducted directly from these items and was, therefore, not reflected in the interest paid statistics. For installment purchases, interest paid included amounts stated in the contract, certain unstated amounts of interest as provided in Code section 483, and finance charges.

Interest Received

Interest received was the taxable portion of interest received from bonds, debentures, notes, mortgages, personal loans, bank deposits, and savings accounts. Taxpayers were also instructed to include so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. Excluded was the interest on a State or local Government obligation. Such interest was tax-exempt and, therefore, did not have to be reported on the tax return.

Investment Credit

This tax credit was based on a percentage of the "qualified investment" in certain new and used depreciable assets, chiefly machinery and equipment with a useful life of 3 years or more. The applicable percentage for most property acquired and placed into service or constructed during the period January 22, 1975, through December 31, 1976, was 10 percent of the qualified investment as provided for by the Tax Reduction Act of 1975. The Tax Reform Act of 1976 extended this 10 percent rate through 1980 and the Revenue Act of 1978 made this 10 percent rate permanent. Before January 22, 1975, the credit was, in general, 7 percent.

The cost of the property determined the taxpayer's qualified investment, which was an amount that took into account the length of the property's intended life and whether the property was new or used. Small Business Corporations and partnerships were eligible for the credit, although the credit itself was claimed not by these entities but by the shareholders and partners, respectively, on their individual income tax returns. There were also limitations on the credit itself, for the most part dependent on the presence or size of income tax (excluding the penalty taxes on self-employed retirement, or Keogh, plans and the special income averaging tax), reduced by the foreign tax credit and the credit for the elderly. Amounts in excess of these limitations could be carried back 3 years and the remainder carried forward, in general, to the succeeding 7 years, for use in computing the credit for these years.

The Energy Tax Act of 1978 allowed taxpayers to claim a refundable investment credit for solar and wind property and a nonrefundable energy investment credit for certain other types of energy property.

This was in addition to the regular investment credit if the energy property also qualified as regular investment credit property. The nonrefundable credit was reported and tabulated as part of the regular investment credit, while the refundable portion was reported and tabulated as a taxpayment. (See also "Business Energy Investment Credit" in this section.)

Investment Interest

This was an amount computed for the statistics on all returns, as required by the Tax Reform Act of 1976. It was equal to total interest deducted, other than home mortgage interest, limited to investment income (interest received, dividends, and capital gains). However, since investment income varied according to the income concept tabulated, the amount of investment interest expense varied as well. Thus, for those income concepts which did not include tax preferences (adjusted gross income and adjusted gross income less investment interest), dividends after exclusion and the portion of the excess of net long-term capital gains over net short-term capital losses included in adjusted gross income were used as the basis for computing investment interest expenses. However, for those income concepts which included tax preferences (adjusted gross income plus excluded tax preferences and expanded income), dividends before exclusion and the full amount of net long-term capital gains over net short-term capital losses were used. These income concepts are shown under "High-Income Returns, Taxable and Nontaxable" in section 8.

Itemized Deductions

See "Total Itemized Deductions."

Itemized Deductions Tax Preference

See "Alternative Tax Preferences."

Jobs Credit

The "new jobs credit" for hiring new employees, in effect for Tax Years 1977 and 1978, was replaced for 1979 by a "targeted jobs credit" for hiring the hard-core unemployed and other groups with special employment needs. The targeted jobs credit, which was elective, was limited to 50 percent of the first \$6,000 of FUTA wages (i.e., wages subject to unemployment insurance) paid by an employer to an eligible employee for the employee's first year of employment, and to 25 percent of such wages for the second year of employment of such individual. The employee groups targeted for this credit were: (1) recipients of Supplemental Security Income (SSI); (2) handicapped individuals who were undergoing or had completed qualified vocational rehabilitation; (3) individuals aged 18-25 who were members of economically disadvantaged families; (4) Vietnam-era veterans under age 35 who were members of economically disadvantaged families; (5) recipients of general assistance for a period of 30 or more days; (6) individuals aged 16 to 18 who were participants in a qualified cooperative education program; and (7) ex-convicts who were members of economically disadvantaged families, if hired within the later of 5 years of the date of release from prison or date of conviction.

In addition to the limit on the amount of credit for any one eligible employee, the amount of qualifying wages paid by an employer to eligible first year employees was limited to 30 percent of the aggregate FUTA wages paid to all employees during the calendar year ending in the employer's taxable year. Moreover, an employer's deduction for such wages was



reduced by the amount of the credit; the credit was limited to 90 percent of the employer's income tax liability less all other nonrefundable credits; and it was not applicable with respect either to employees for whom the employer received on-the-job training payments or for whom the WIN credit was claimed.

#### Joint Returns of Husbands and Wives

These were returns of married taxpayers claiming the joint return filing status. The income of each spouse had to be reported on this return.

#### Marital Status

The five marital status classifications were:

- (1) joint returns of husbands and wives,
- (2) separate returns of husbands and wives,
- (3) returns of heads of households,
- (4) returns of surviving spouses, and
- (5) returns of single persons (not heads of households or surviving spouses).

Marital status was usually determined as of the last day of the taxable year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year. Each of the above classifications is defined under separate heading in this section.

#### Maximum Tax on Personal Service Income

"Tax generated" was usually computed by applying to taxable income graduated tax rates ranging from 0 to 70 percent. However, taxpayers with large amounts of "personal service income" could elect to limit the top tax rate on such income to a maximum of 50 percent. This was done by splitting taxable income into "personal service" and "other" taxable income. The graduated regular rates up to 50 percent were applied to personal service taxable income; the 50 percent limitation was applied to amounts which would have been subject to rates higher than 50 percent. Other taxable income was taxed at regular rates higher than 50 percent.

"Personal service income" was gross income from salaries, wages, professional fees, and other compensation for personal services. If the taxpayer engaged in a trade or business where both services and capital were material income-producing factors, up to 30 percent of net profit was considered earned income. Net proceeds from the sales of property created by the taxpayer were also considered earned income. Beginning with 1977, pensions, annuities, and other deferred compensation for personal services rendered in the past could also be included. "Personal service net income" was personal service income as here defined less allocable deductions and expenses.

Personal service net income was used to determine "personal service taxable income." Taxable income was multiplied by the ratio of personal service net income to adjusted gross income. The result (limited to the amount of taxable income) was then subject to reduction by the "tax preference offset," the total amount of tax preferences reported on Form 4625 (see "Tax Preferences" in this section). "Personal service taxable income," then, was the result of applying an earnings ratio to taxable income and then subtracting from that result those items which had already received special tax treatment, namely the tax preferences. The part of taxable income which was not personal service taxable income was "other taxable income."

Tax generated was the sum of tax on personal service taxable income, computed as described in the first

paragraph, plus the tax on "other taxable income." The tax on "other taxable income" was the regular tax on taxable income less the regular tax on personal service taxable income.

The maximum tax computation was not available to married persons filing separate returns or to taxpayers electing income averaging.

#### Medical and Dental Expense Deduction

In general, medical and dental expenses could be claimed as itemized deductions to the extent that they exceeded 3 percent of adjusted gross income. Expenditures considered for this deduction were the actual amounts paid during the tax year for health care of the taxpayer, spouse, dependents, and any other person who, except for the fact that he or she had \$1,000 or more of gross income or filed a joint return with his or her spouse, could be claimed as a dependent. Amounts paid for drugs and medicines were included in medical expenses only to the extent that they exceeded 1 percent of adjusted gross income.

Any insurance payment, received on account of medical expenses incurred, reduced the cost which could be considered as medical expenses actually paid by the taxpayer. However, one-half of the cost of medical insurance up to \$150 was fully deductible as a medical expense without regard to the 3 percent limitation, while the remaining one-half of the cost plus any excess over \$150 was subject to the 3 percent limitation.

#### Minimum Tax

This was a 15 percent tax imposed on "tax preferences subject to tax." This tax could be reduced by:

- (1) 15 percent of any 1979 net operating loss which the taxpayer could carry to a future year (this amount to be paid as a "deferred minimum tax" for the year to which the net operating loss was carried);
- (2) "unused" portions of the credit for the elderly, the political contributions credit, the child care credit, and the residential energy credit; the unused portion was the amount by which these credits exceeded income tax before credits.

#### Miscellaneous Deductions

Included in the statistics were all specified nonbusiness deductions from adjusted gross income for which separate categories were not provided on the return form, plus personal casualty and theft losses.

On the return form, miscellaneous deductions included expenses incurred in the collection of income; or for the management, conservation, or maintenance of property held for the production of income subject to tax; gambling losses not in excess of winnings reported in income; amortization of bond premium; expenses connected with the taxpayer's employment (for example, dues to professional societies, union dues, cost of tools and supplies for the job, and fees to employment agencies); fees paid for the preparation of a tax return; and allowable expenses of an employee in connection with the employer's business.

Casualty and theft losses, while shown as a separate category on the return form, were included as "miscellaneous deductions" for the statistics. (See also "Casualty and Theft Loss, Net" in this section.)

For purposes of the statistics, miscellaneous deductions also includes any amount of earned income substituted for itemized deductions by taxpayers who qualified as "dependents with unearned income."

Moving Expense Adjustment

An employee who had to move to a new residence as a result of changing jobs could deduct from gross income certain reasonable expenses for moving and househunting. To qualify for this deduction the distance between the taxpayer's new principal place of residence and her or his former place of residence had to exceed 35 miles.

Deductible expenses included those incurred from moving household goods and personal effects and meals, and lodging of the taxpayer and household members in route to the new residence. There were no dollar limitations for these expenses. Other allowable expenses, subject to a \$3,000 limitation, included househunting trips, cost of meals, lodging in temporary quarters for up to 30 days, and costs related to settlement of an unexpired lease or acquisition of a new lease, or selling of residence and purchase of a new residence. In addition, the househunting trip and temporary quarters component of the \$3,000 deduction could not exceed \$1,500.

Nontaxable Distributions

To the extent that a distribution from a corporation represented a refund of the taxpayer's capital, it was nontaxable. However, if the total of such distributions and other dividends exceeded \$400, they were to be shown for information purposes on Schedule B - Interest and Dividend Income.

Other Income

Included here were such items as prizes, awards, sweepstakes winnings, gambling profits, recovery of bad debts, insurance received as reimbursement for medical expenses taken in a previous year, and any other income subject to tax for which there was no specific line provided on the return form. Taxpayers were required to apply any deduction for business net operating losses against "other income."

Other Tax Credits

"Other tax credits" included, in general, only those statutory credits which were used to offset income tax and could not be identified as an elderly, child care, investment, work incentive (WIN), foreign tax, jobs, political contributions credit, or residential energy credit. Other tax credits, to the extent that they were in excess of total tax and were refundable, were tabulated as part of "other taxpayments."

Other Taxpayments

"Other taxpayments" included the "throwback tax credit" allowed trust beneficiaries for certain taxes previously paid by the trust, and any other unidentified amounts that could not be allocated to one of the specified taxpayment items. Other tax credits, to the extent that they were in excess of total tax and were refundable, were also included in other taxpayments.

Overpayment

An overpayment of tax occurred when the "taxpayments" exceeded "total tax liability," or if the taxpayer had an "earned income credit, refundable portion." Overpayments could be refunded; or, at the taxpayer's election, taken as a credit on the subsequent year's estimated tax; or taken partly as a refund and partly as a credit against estimated tax. (See also "Credit on 1980 Estimated Tax" and "Refund" in this section and "Overpayment and Tax Due" in section 3, Tax Computation and Tax Rates.)

Other Than Cash Contributions Deduction

See "Contributions Deduction."

Partnership Net Profit or Loss

Partnership net profit or loss was reported by persons who were members of a partnership, syndicate, joint venture, or unincorporated association. The taxpayer's profit or loss shown was only his/her share of the ordinary income or loss of the enterprise, together with payments made to the taxpayer for the use of capital or as a salary. If the individual was a member of more than one partnership, the single amount of partnership profit or loss reported in adjusted gross income, whether or not actually received was the net result of all shares.

Beginning with 1976, an "at risk" limitation was introduced on a partner's deductible losses that were attributable to certain partnership "tax shelter" activities to which a partner contributed cash or property. In general, losses were allowed only to the extent of the aggregate amount the partner had "at risk" in the activity at the close of the year. (The amount "at risk" was the partner's cash or property investment or amounts borrowed for which the partner was personally liable or which was secured by property other than the amount the partner had invested.) The amount "at risk" was reduced by the losses deducted; however, a loss in excess of the "at risk" amount could be carried over for possible use in the following year.

Partnership net profit or net loss, as shown in this report, did not include dividends qualifying for the exclusion, net short- and long-term capital gain or loss, interest on tax-free covenant bonds, and shares of specially allocated income or loss, even when these amounts were received through a partnership. Such income was included on the tax return on the separate lines provided for these income types. Deductions for which there were separate lines on the return were similarly excluded from partnership net profit or net loss. One of these deductions, additional first-year depreciation, was tabulated separately in this report. Additional first-year depreciation was 20 percent of the cost (or portion of the cost) of tangible personal property which was allowed to the taxpayer for the first tax year in which a depreciation deduction was allowable. The cost of each piece of property for which additional first-year depreciation was allowed was limited to \$10,000 (\$20,000 on a joint return).

Data shown for 1979 include the total number of returns showing any net income received from all partnerships and the total number showing any net loss from all partnerships. In other words, if a return showed net income from one partnership and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labelled "net income" and "net loss" represent, as they do annually, the sum of all income and loss reported from all partnerships; i.e. the net amount, on a return-by-return basis.

Additional information for partnerships can be found in Statistics of Income—1978 Partnership Returns.

Payment with Request for Extension of Filing Time

This payment was made when the taxpayer filed Form 4868, Application for Automatic Extension of Time to File U.S. Individual Tax Return, and gained a 2-month extension of time to file the Form 1040. The application operated to extend the time to file. It did not extend the time for payment of expected tax since full payment of any tax due had to be made with the application for extension. When the taxpayer filed

the return, he or she entered the amount paid with Form 4868 on Form 1040 to determine any tax still due or any amount of overpayment of tax.

#### Payments to an Individual Retirement Arrangement

See "Individual Retirement Arrangement."

#### Penalty Taxes on Individual Retirement Arrangements

A taxpayer could start withdrawing funds from an arrangement after reaching age 59-1/2, and had to start doing so after reaching age 70-1/2. Withdrawals prior to reaching age 59-1/2 were subject to a penalty tax equal to 10 percent of the premature distribution. Failure to withdraw funds after reaching age 70-1/2 resulted in the taxpayer's paying a 50 percent excise tax on the amount by which the minimum required distribution exceeded the distributions actually received by the individual during the year. Contributions to the retirement arrangement in excess of the legal limitation for the year (15 percent of earned income; \$1,500 maximum except for a spousal arrangement where the maximum is \$1750) were subject to an excise tax equal to 6 percent of the excess contribution. (See also "Individual Retirement Arrangement" in this section.)

#### Pensions and Annuities

Generally, pensions represented periodic income received after retirement and made in consideration of past services with an employer, while annuities were income payable at stated intervals in consideration of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a noncontributory plan) by contributions of the employer.

Since a noncontributory pension was one paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on line 17, "Fully taxable pensions and annuities," of Form 1040 rather than on Schedule 1, Supplemental Income Schedule, which was used to report amounts received from a contributory pension.

For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution. (In the case of a survivor-beneficiary of a deceased employee, a "death benefit exclusion" of up to \$5,000 could be excluded, in addition to the deceased employee's contribution.) The entire amount of pension received for the year as reported on the supplemental income schedule (Schedule E, Form 1040), with the taxable portion shown separately and carried forward to line 18 of Form 1040, and included under the heading "Pensions, annuities, rents, royalties, partnerships, estates and trusts, etc." When it was possible for the retired employee or a survivor to recover the employee's contributions within 3 years by the annuity payments received, the payments were nontaxable until recovered, after which time the pension or annuity was fully taxable. This was the "three-year rule" computation method. If this method was inapplicable, the taxpayer's yearly receipts were prorated into taxable and nontaxable portions based on life expectancy at the time that the pension or annuity started (or "term certain," if the annuity was not payable for life).

Receipts from individually purchased annuities were usually prorated into taxable and nontaxable portions, since the taxpayer could expect to receive more than the cost, but not within 3 years.

#### Personal Property Taxes Deduction

See "Taxes Paid Deduction."

#### Political Contributions Credit

An individual taxpayer was allowed to take a credit against income tax for political contributions paid during the year. This political contribution could be to a candidate or candidates for election to a Federal, State, or local office, in a primary, general, or special election, or it could be to a political campaign committee. The credit equalled 50 percent of the amount contributed, limited to \$50 (\$100 on a joint return).

#### Presidential Election Campaign Fund Checkoff

Taxpayers could elect to designate \$1 (\$2 on a joint return, if both the taxpayer and spouse so elected) of their 1979 tax liability to be applied to the Presidential Election Campaign Fund. This designation could be made by checking the appropriate box on Form 1040 or Short Form 1040A. The election did not affect the size of the taxpayer's tax liability or refund for the year.

#### Real Estate Taxes Deduction

See "Taxes Paid Deduction."

#### Refund

A refund of tax included all overpayments not applied by the taxpayer as a credit to the next year's estimated tax. (See also "Overpayment" in this section.)

#### Regular Tax Computation

Typically, the taxpayer, in determining "tax generated," first computed tax table or taxable income. Depending on marital status, the taxpayer then applied rates from one of four tax rate schedules to compute the tax. In some instances, the taxpayer used the equivalent tax table or requested the Internal Revenue Service to compute the tax. Returns of such taxpayers are also classified under the regular tax computation method. (See also section 3, Tax Computation and Tax Rates.)

#### Rent Net Income or Loss

Rent net income or loss constituted a part of adjusted gross income and was determined by deducting from gross rents amounts for depreciation, repairs, maintenance, interest, taxes, commissions, advertising, fuel, insurance, janitor services, and any other allowable expenses related to the rented property. Rental income from farming operations conducted solely by the tenant without material participation of the landowner was also included here.

#### Recomputed Tax Preference Income

See "Tax Preferences Subject to Tax."

#### Residential Energy Credit

In order to reduce energy consumption and to encourage the development and use of alternative energy sources, a residential energy credit was provided for by the Energy Tax Act of 1978. The

credit was actually made up of two separate parts, one based on qualified "energy conservation expenditures" and the other on qualified "renewable energy source expenditures," with different requirements for each type of credit. The entire residential energy credit was available for qualified items installed in or on the taxpayer's principal residence from April 20, 1977, through December 31, 1985. However, the credit could not be claimed for any taxable year beginning before January 1, 1978; therefore, it was first available for use on 1978 tax returns. A maximum amount was specified for each part of the credit, although a minimum \$10 amount for the sum of both credits was required before any credit was allowed. None of the credit was refundable, but any credit exceeding income tax reduced by all other statutory credits could be carried over to subsequent years through 1987. Before the credit was carried over to a subsequent year, however, it could have been used to reduce the minimum tax for the current year. Amounts of credit which could not be used to offset any tax for 1978 are shown as "residential energy credit carryover from 1978" in the tabulations.

The credit for energy conservation property was 15 percent of the first \$2,000 of expenditures, including original installation costs, with a maximum credit of \$300 per residence over the entire period the credit was to be in effect. The credit was available for each dwelling unit used by the taxpayer as a principal residence; however, the construction of the dwelling unit had to be substantially completed before April 20, 1977, in order for the energy conservation expenditures to qualify. In addition, the taxpayer had to be the first person to use the property installed and that property had to be expected to remain in use for a least 3 years. Energy conservation property consisted of insulation, storm windows and doors, caulking and weather-stripping, and certain other items (such as an automatic energysaving setback thermostat, furnace replacement burner, or a meter displaying the cost of energy usage). The maximum energy conservation expenditures allowable in computing the energy credit were \$2,000. However, in computing the 1979 credit, a taxpayer who had claimed a credit for Tax Year 1978 had to further reduce this \$2,000 by his or her 1978 energy conservation expenditures on the same residence. The result of limiting expenditures for 1979 to \$2,000 minus 1978 expenditures is shown in the tabulations as "maximum allowable current-year energy conservation expenditures."

The credit for renewable energy source property was 30 percent of the first \$2,000 and 20 percent of the next \$8,000 of expenditures, including labor costs for on-site preparation, assembly, or original installation, with a maximum credit of \$2,200 per residence over the entire period the credit is to be in effect. In contrast to the credit for energy conservation property, the renewable energy source credit was available for items installed on both existing and newly constructed principal residences. The taxpayer had to be the first person to use the property and that property had to be expected to remain in use for at least 5 years. Renewable energy source property consisted of solar, wind, and geothermal energy property.

The maximum renewable energy source expenditures allowable in computing the energy credit for 1979 are \$10,000. However, in computing the 1979 credit, a taxpayer who had claimed a credit for Tax Year 1978 had to reduce the \$10,000 by his or her 1978 renewable energy source expenditures on the same residence. The result of limiting expenditures for 1979 to \$10,000 minus 1978 expenditures is shown in the tabulations as "maximum allowable current-year renewable energy source expenditures."

#### Royalty Net Income or Loss

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; and revenue from patents; copyrights on literary works; trade-marks formulas; and so on. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231, and as a result of the separate computation required by that section are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets."

#### Salaries and Wages

Salaries and wages as reported on the tax return were amounts of compensation for personal services. Also included were commissions; bonuses; tips; fees excess reimbursement over employee business expenses and the value of nonmonetary payments for services e.g., merchandise, accommodations, or property. Identifiable amounts for any of these categories which may have been reported by taxpayers in "other income" were treated as salaries and wages for the statistics. Excluded were portions of salaries and wages earned in hardship areas abroad which could be excluded under special provisions of the law.

#### Sales of Capital Assets, Net Gain or Loss

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. Assets used in the normal course of business activities (such as inventory held for sale during the ordinary conduct of business) and depreciable real property held for sale or used in a trade or business were specifically excluded from treatment as capital assets.

In addition, net gains from the disposition of certain types of property which were not classified as capital assets could be treated as capital gain under section 1231 of the Code. This included property used in business, such as buildings and machinery, and also certain specific types of assets such as cut timber, coal, domestic iron ore and timber royalties, and unharvested crops sold with the land, if the land were held for more than one year.

On the other hand, all or a portion of net gains from some types of property included under the definition of capital gains could be denied capital gains treatment under certain other sections of the Code. Generally, these sections denied capital gains treatment to gain that resulted from the recapture of depreciation already claimed on the asset.

The following concepts were used in the computation of net capital gain or loss for the purposes of this report:

Net short-term gain or loss--Gains and losses from the sales or exchanges of capital assets held for one year or less, beginning with 1978, were considered to be short-term. For 1977, the holding period was 9 months or less, while for 1976 and earlier years it was 6 months or less. Short-term gains from current-year sales were combined with any short-term capital loss carryover and any net short-term gain or loss received from partnerships or fiduciaries.

Net long-term gain or loss--Gains and losses from sales or exchanges of capital assets held for more than one year were considered long-term and were eligible for special tax treatment (see "Net capital

gain" below). To obtain the net long-term gain or loss, gains or losses from current-year transactions were combined with:

- (1) net long-term gain or loss received from partnerships, fiduciaries, or Small Business Corporations,
- (2) capital gain distributions of regulated investment companies (mutual funds) and real estate investment trusts, and
- (3) long-term capital loss carryover from prior years.

Short-term capital loss carryover--This carryover equalled that portion of short-term capital loss incurred, but not deducted, in a previous tax year because of the limitation to net capital loss claimable, as discussed below under "Net capital loss."

Long-term capital loss carryover--This carryover equalled that portion of long-term capital loss incurred, but not deducted, in a previous tax year because of the limitation to net capital loss claimable, as discussed below under "Net capital loss."

Net capital gain--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. For taxpayers with long-term capital gains, the actual amount shown as net capital gain (and thus carried into adjusted gross income) was less than the computed combined amount. For net long-term capital gains resulting from sales or exchanges of assets after October 31, 1978, 60 percent of these gains (reduced by any short-term capital losses) could be excluded. For net long-term capital gains resulting from sales or exchanges of assets before November 1, 1978, 50 percent of the excess over net short-term losses was excludable. (Sales of capital assets taking place before November 1, 1978, if transacted by a partnership, Small Business Corporation, estate, or trust, may have been taxable on an individual's 1979 return, if that was the year in which the proceeds were passed through to the individual.) Short-term capital gains, on the other hand, were always fully includable in net capital gain.

Net capital gain also included capital gain distributions which would have been reported on Schedule D, Capital Gains and Losses, except for the provision that taxpayers who had no other gains or losses could simply enter the portion of capital gain distributions included in adjusted gross income on line 15 of Form 1040. These distributions were always considered to be long-term capital gains. The statistics include a separate tabulation of capital gain distributions not reported on Schedule D.

Net capital loss--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer generally showed a net capital loss. In many cases, however, the actual amount included in net capital loss (and thus carried into adjusted gross income) was less than the computed combined amount. For taxpayers with long-term capital losses, only 50 percent of such losses (reduced by any short-term capital gains) was includable in net capital loss. After this reduction, net capital loss was further limited to the lesser of (a) taxable income (computed without regard to capital loss or personal exemptions) or (b) \$3,000 (\$1,500 for married persons filing separately).

Amounts of capital losses in excess of limitations (a) or (b), whichever was applicable, could be carried over to subsequent tax years, as described above.

### Sales of Property Other Than Capital Assets, Net Gain or Loss

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included were (1) certain depreciable, depletable, and real business property; (2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business; (3) certain copyrights, literary, musical, or artistic compositions or similar properties; (4) any share of gain or loss received through partnerships and fiduciaries; and (5) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft. Gains from the disposition of some property types not considered to be capital assets could be treated as capital gains under certain conditions. Conversely, under certain other conditions gains from the disposition of some property types considered to be capital gains could be denied capital gains treatment. Taxpayers reported all gains and losses not receiving capital gains treatment on Form 4797, Supplemental Schedule of Gains and Losses.

### Self-Employed Retirement Plan (Keogh) Deduction

In general, self-employed individuals could contribute to a qualified retirement plan (Keogh or H.R. 10 plan) and deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on "earned income," defined as (1) net earnings from self-employment, but only with respect to a trade or business in which personal services of the taxpayer were a material income-producing factor, and (2) income from the disposition of certain property by individuals whose personal efforts created the property. In general, the maximum amount of the annual contribution to the plan and deduction was 15 percent of earned income or \$7,500, whichever was less.

### Self-Employment Income

See "Earned Income Credit."

### Self-Employment Tax

This tax, levied under the social security system, was reported by each individual who had self-employment earnings of at least \$400 derived from a sole proprietorship or from any share of partnership profits. U.S. citizens employed by foreign governments or international organizations were subject to self-employment tax on salaries. Certain types of income and deductions such as investment income, capital gains and losses, deductions for net operating losses, and casualty and theft losses were not allowed in computing self-employment earnings.

The maximum amount subject to self-employment tax for 1979 was \$22,900, reduced by any wages on which social security tax had been withheld by any employer. The maximum self-employment tax payable was \$1,854.90, based on the 8.1 percent rate in effect for that year. For 1978, the rate was also 8.1 percent, but the maximum amount of earnings subject to the tax was \$17,700 and the maximum tax was \$1,433.70.

Separate Returns of Husbands and Wives

Generally, these were returns of married persons, each of whom filed a return independently of his or her spouse and reported only his or her own income, exemptions, and tax. Also included were returns of married persons where only one spouse had income, but elected to use this classification, and also returns with community property income divided between husband and wife.

If only one spouse filed a separate return, the other spouse's exemption could be claimed on that return, but only if the spouse who was not filing had no gross income and was not the dependent of another taxpayer.

Single Persons, Returns of

These were returns of (a) unmarried persons who did not qualify as head of household or surviving spouse, or (b) certain married individuals living apart from their spouses who maintained a home, independently of the spouse, that was the home of the individual's child or stepchild for more than 6 but less than 12 months of the year.

Size of Adjusted Gross Income

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns with deficit and those on which income and loss were equal were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class labelled "no adjusted gross income" indicates that any deficit or breakeven returns in a table were included in the lowest income class.

Small Business Corporation Net Profit or Loss

Net income of a qualified Small Business Corporation (defined in section 1371 of the Code), whether or not distributed, was taxed directly through each stockholder. Net losses were allocated to each stockholder to be offset against income from other sources.

Small Business Corporation income shown in this report was the amount taxable to stockholders as ordinary income. Net long-term capital gain, reduced by the special tax imposed at the corporate level, retained its character in the hands of the stockholders and is included in the statistics for net gain or loss from sales of capital assets. Undistributed income earned in previous years was taxable to stockholders in the year it was earned and could be distributed during the current year without any further tax.

Data shown for 1979 include the number of returns showing just net income received from all Small Business Corporations and the number showing just the net loss from all Small Business Corporations. In other words, if a return showed net income from one Small Business Corporation and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labelled "net income" and "net loss" represent, as they do annually, the sum of all income and loss reported from all Small Business Corporations; i.e., the net amount, on a return-by-return basis.

Information on Small Business Corporations can be found in Statistics of Income--1978-1979 Corporation Income Tax Returns.

Social Security Taxes on Tip Income

This amount consisted of social security tax on unreported tip income and uncollected employee social security tax on tips.

Cash tips amounting to \$20 or more that the taxpayer received in a month while working for any one employer were subject to withholding of income tax and social security tax. Cash tips counted toward social security benefits and an employee was required to report these tips to the employer; the employer then withheld the social security tax. However, if the employer was unable to withhold the amount of social security tax, the amount of uncollected social security tax on tips was indicated on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040.

If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 413 and attach it to Form 1040.

State and Local Income Taxes Deduction

See "Taxes Paid Deduction."

State Income Tax Refunds

These amounts represented that part of a refund of State income tax attributable to itemized deduction taken in a prior year that resulted in a Federal tax benefit. Taxpayers were instructed not to net the refundable amount against the current year's itemized deduction for State and local income tax.

States

State classifications were based on the taxpayer's address shown on the pre-printed address label reported by the taxpayer on the return. Data for returns with addresses outside the 50 States and the District of Columbia are shown in three separate classifications in the State statistics. Returns from the Virgin Islands and those with foreign addresses are classified under "U.S. citizen abroad." Data from qualifying returns filed by bona fide residents of Puerto Rico are shown in a separate category. The third classification covers returns for armed service personnel stationed abroad who filed their returns in New York, California, or Washington where their Army Post Office (APO) or Fleet Post Office (FPO) was located. (See also section 5, State Data.)

Statutory Adjustments

These were certain adjustments to gross income allowed as deductions in arriving at adjusted gross income. Statutory adjustments consisted of the disability income exclusion, moving expense deduction, employee business expense deduction, payments to self-employed retirement (Keogh) plan, forfeiture interest penalty, payments to an individual retirement arrangement (IRA), alimony paid, and deduction for expense of living abroad. (See also section 1 Returns Filed and Sources of Income.) Each is described under separate heading in this section.

Stock Options

See "Tax Preferences."

Surviving Spouses, Returns of

These returns were filed by widows or widowers whose spouse had died during either of the 2 preceding years, who had not remarried, and who had maintained a home which was the principal abode of a child or stepchild for whom the taxpayer was entitled to an exemption.

Surviving spouse taxpayers could use the joint return tax rates for the 2 taxable years following the year of death of the spouse; however, the deceased spouse could not be claimed as an exemption, except for the year of death.

Tax Credits

Tax credits consisted of:

- (1) credit for the elderly,
- (2) investment credit,
- (3) foreign tax credit,
- (4) political contributions credit,
- (5) work incentive (WIN) credit,
- (6) jobs credit,
- (7) residential energy credit, and
- (8) "other" tax credits.

In addition, for purposes of this report, the amount of earned income credit used to offset income tax before credits was included under this classification.

Each of the above is described under separate heading in this section. (See also section 3, Tax Computation and Tax Rates.)

Tax Due at Time of Filing

"Tax due" was reported on returns where the "total tax liability" exceeded the "total taxpayments."

Tax From Recomputing Prior-Year Investment Credit

The investment credit provisions of the law included a "recapture" rule which required taxpayers to pay back all or a portion of any investment credit taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life.

Tax credits could not be applied against this additional tax.

Tax Generated

This amount was the tax on "taxable income" or "taxable income." On most returns (those without one of the "taxes from special computations") this equalled income tax before credits."

Tax Paid with Return

This was the amount of tax tendered by the taxpayer with the return in the event that the taxpayer's total tax liability" exceeded "total taxpayments." See also "Tax Due at Time of Filing" and "Balance Due After Remittance" in this section.)

Tax Preferences

The following income and deduction items, which are given special treatment in the computation of taxable income, were considered tax preferences and are subject to the "minimum tax":

- (1) Accelerated depreciation on (a) low-income rental housing; (b) other real property (defined in

Code section 1250); and (c) leased personal property (defined by section 1245). The excess of accelerated depreciation over the amount computed under the straight-line method was considered a tax preference.

(2) Amortization of (a) certified pollution control facilities; (b) railroad rolling stock; (c) on-the-job training facilities; and (d) child care facilities. The excess of these special rapid write-offs, over what otherwise would have been a depreciation deduction, was considered a tax preference.

(3) Stock options. Upon exercising a stock option, an employee did not actually receive income when the fair market value of the stock was greater than the option price. This price difference was, however, treated as a tax preference in the year the option was exercised.

(4) Bad debt reserves. Financial institutions were allowed deductions toward a reserve for bad debts under prescribed rules. When these deductions exceeded the amount required by actual experience, the excess was considered a tax preference.

(5) Depletion. The excess of depletion over the adjusted basis of property (reduced by depletion taken in prior years) was a tax preference. Thus, when the taxpayer had written off the investment, a tax preference was realized.

(6) Intangible drilling costs. Intangible drilling expenses incurred by operators of oil and gas wells were chargeable, at the operator's option, either to capital or to current expenses. However, beginning with Tax Year 1976, to the extent that any amount deducted as a current expense exceeded the amount that could have been charged to capital and deducted over the applicable number of years, it had to be reported as a tax preference.

The above items were considered tax preferences, whether incurred directly, by individual taxpayers, or distributed or allocated to them as owners, beneficiaries, or shareholders of partnerships, estates and trusts, Small Business Corporations, and regulated investment companies.

Tax Preferences Subject to Tax

This item was the base for computing the "minimum tax" (described above). It was the result of subtracting total exclusions from recomputed tax preference income--concepts explained below.

Recomputed tax preference income, on most returns, equalled total tax preferences (see "Tax Preferences," above). However, under section 58(h) of the Internal Revenue Code, taxpayers could deduct any tax preferences from which they derived no benefit from their total tax preferences. The result of subtracting this "no-benefit deduction" is shown as "recomputed tax preference income" in the statistics.

Exclusions from total tax preferences took one of two forms. The standard exclusion equalled a flat \$10,000 (\$5,000 for married persons filing separately). The tax exclusion equalled one-half of the sum of income tax after credits, tax from recomputing prior-year investment or work incentive credits, and the penalty tax on premature redemption of individual retirement bonds, less the special income averaging tax, the tax on accumulation distributions of trusts, and penalty taxes on self-employed pension plans. The taxpayer could take whichever exclusion was more beneficial.

Tax Savings From Special Tax Computations

In this report, the amount of tax savings is the difference between the tax resulting from using the provisions of one of the special tax computations (i.e., maximum tax or tax from income averaging), and the amount of regular tax that would have resulted from not using these provisions.

Tax Table Income

This was a new income concept introduced by the Tax Reduction and Simplification Act of 1977. On returns with a "zero bracket amount only," this amount equalled adjusted gross income. On returns with itemized deductions, this amount equalled adjusted gross income minus "excess itemized deductions" or adjusted gross income plus the "unused zero bracket amount". Those taxpayers eligible used this tax table income in the tax tables to determine their tax; otherwise, they used tax table income to derive "taxable income" (tax table income minus the exemption amount) which, in turn, was used to determine their tax from the tax rate schedules.

Tax table income was not tabulated for deficit returns or for returns on which excess itemized deductions exceeded adjusted gross income.

Taxable and Nontaxable Returns

Taxability of a return for purposes of this report was determined by the presence of "total income tax" (the sum of income tax after credits and the additional tax for tax preferences). Some returns classified as "nontaxable" may have had a liability for tax from the self-employment tax, the social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement arrangements, or other taxes; however, these taxes were disregarded for purposes of this classification, since the first two were considered social security (rather than income) taxes, and since the remaining ones were either based on prior-year's income or were penalty taxes. For the purposes of this report, the earned income credit was treated as an amount which could be used to offset income tax before credits. (Since the earned income credit was refundable, it was subtracted from income tax after reduction by all other statutory credits for the statistics.) As a result, some returns became nontaxable strictly because of the earned income credit when there was no additional tax for tax preferences and the earned income credit exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was generally based on each return as it was originally filed; the classification does not reflect any changes resulting from audit or other enforcement activities.

Taxable Income

Taxable income was the amount to which tax rates were usually applied in arriving at "tax generated." It was determined by subtracting from adjusted gross income "excess itemized deductions" (or by adding the "unused zero bracket amount") and the exemption amount. The zero bracket amount, that portion of income subject to tax at the zero percent rate, represented the first portion of taxable income.

Taxes From Special Computations

These represented the second component of "income tax before credits" (in addition to "tax generated") and consisted of:

- (1) the "special averaging tax" (from Form 4972), computed by a taxpayer who received a lump-sum distribution from a qualified pension or retirement plan;
- (2) the "multiple recipient special averaging tax" (from Form 5544), computed by a taxpayer who received a share of a single lump-sum distribution from a qualified pension or retirement plan;

(3) the tax on accumulation distributions of trusts (from Form 4970), computed by a taxpayer who received a distribution in the current year which was based on income accumulated by a trust in prior years;

(4) the tax from recapture of prior-year credit for purchase of a new principal residence (from Form 5405), computed by a taxpayer who had claimed the "new house credit" for 1976, but then sold the new house and failed to replace it with another qualifying new house within an 18-month period; and

(5) the penalty tax from premature or excess distributions from a self-employed (Keogh) retirement plan or trust.

Since these items were considered part of income tax before credits, not of other taxes, they were subject to reduction by statutory credits.

Taxes Paid Deduction

Taxes allowed as a deduction from adjusted gross income included personal property taxes, State and local income taxes, certain State and local retail sales taxes, taxes paid to foreign countries or U.S. possessions unless a foreign tax credit was claimed, and real estate taxes except those levied for improvements that tended to increase the value of the property. Federal taxes and State and local taxes on cigarettes, tobacco, and alcoholic beverages were not deductible, nor were State and local fees for vehicle license plates (unless the fees were based on the value of the vehicle) or drivers' licenses.

Taxes paid on business property were deducted separately on the schedules for business, rent, and royalty income, and are, therefore, excluded from the taxes paid statistics.

Taxpayments

These payments were, generally, made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

- (1) income tax withheld,
- (2) excess social security taxes withheld,
- (3) credit for tax on certain gasoline, fuel, and oil,
- (4) payments on 1979 declaration of estimated tax,
- (5) payment with request for extension of filing time,
- (6) credit from a regulated investment company, and
- (7) other taxpayments.

Each of the above is described under separate heading in this section.

While the earned income credit was shown as a taxpayment on the tax return itself, it is tabulated separately for purposes of this report and not included as part of taxpayments. (See also "Earned Income Credit" in this section and in section 3, Tax Computation and Tax Rates.)

Total Income Tax

Total income tax was the sum of income tax after credits and the additional tax for tax preferences. It did not include any of the other taxes which made up "total tax liability." Total income tax was the basis for classifying returns as "taxable or nontaxable."

Total Itemized Deductions

Itemized deductions from adjusted gross income could be claimed for contributions, interest paid, taxes, medical expenses, casualty or theft loss, union dues, and other qualifying expenditures for



which no specific line or schedule was provided on the return. Such other expenditures included educational expenses and certain expenses connected with the taxpayer's employment.

The Tax Reduction and Simplification Act of 1977 required that four groups of taxpayers itemize their deductions, even if those deductions were less than the zero bracket amount. Those individuals were either dependents with unearned income, married and filing a separate return, dual status aliens, or persons excluding income received from sources in U.S. possessions. Dependents with unearned income could substitute their earned income, if it was larger than their itemized deductions.

Total itemized deductions was the amount before the zero bracket amount was taken into account. It was tabulated only from returns showing positive adjusted gross income. (See also section 2, Deductions and Exemptions.)

#### Total Tax Liability

Total tax liability was the sum of income tax after credits, additional tax for tax preferences, self-employment tax, social security tax on tips, tax from recomputing prior-year investment credit, taxes from individual retirement arrangements, and other taxes, reduced by the "earned income credit used to offset all other taxes" (defined under "Earned Income Credit" in section 3, Tax Computation and Tax Rates).

#### Type of Tax Computation

There were three methods of computing the tax on income subject to tax. These methods were:

- (1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040 or 1040A;
- (2) income averaging, computed on Schedule G, Income Averaging; and
- (3) maximum tax, computed on Form 4726, Maximum Tax on Personal Service Income;

All of these tax computation methods are described in this section. (See also section 3, Tax Computation and Tax Rates.)

#### Unused Zero Bracket Amount

This deduction concept represented the amount by which the zero bracket amount exceeded total itemized deductions. (See also "Zero Bracket Amount," "Form of Deduction," and "Total Itemized Deductions" in this section and "Unused Zero Bracket Amount" in section 2, Deductions and Exemptions.)

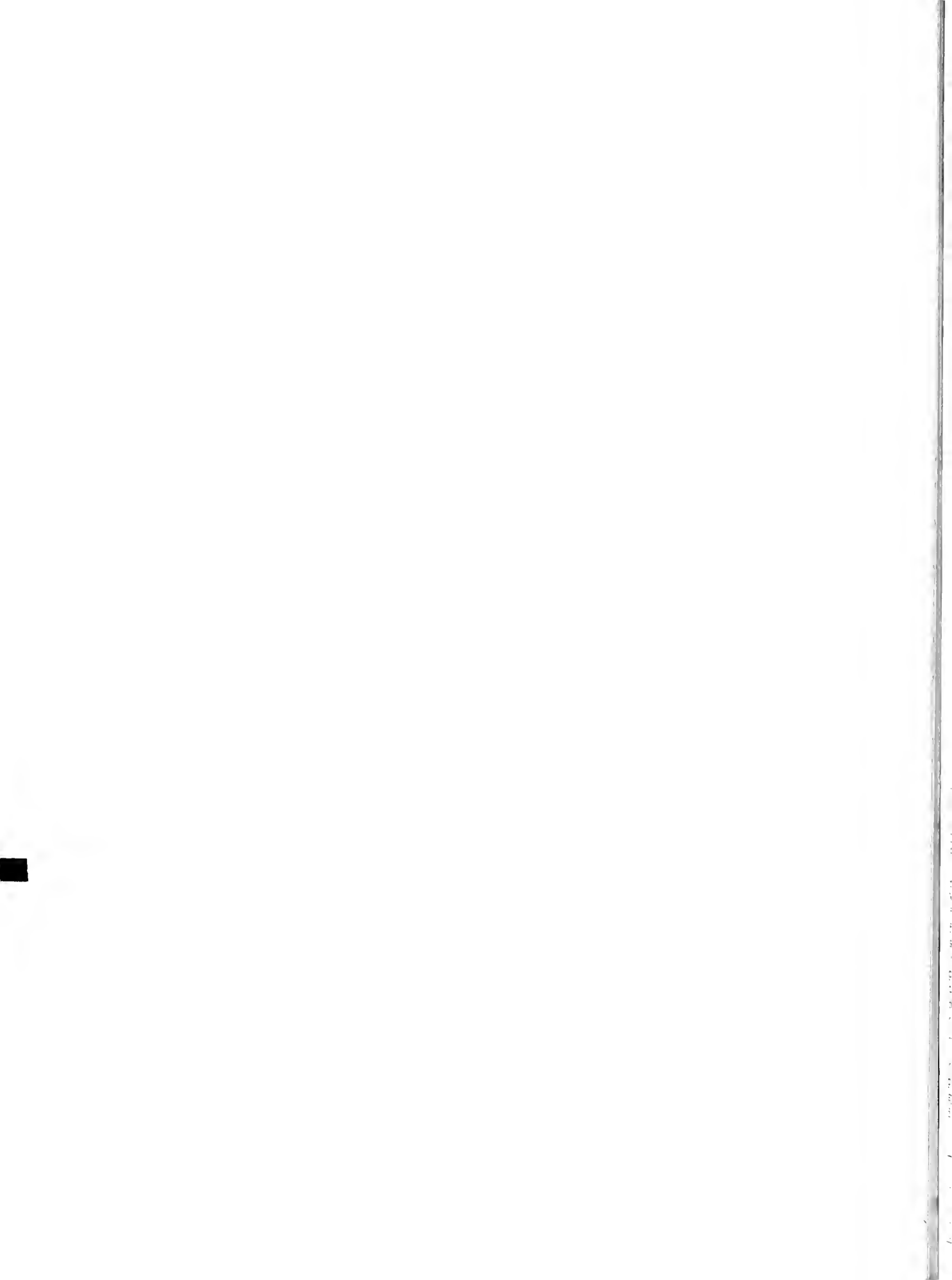
#### Work Incentive (WIN) Credit

Taxpayers could take a credit against their income tax liability of 20 percent of the WIN (Work Incentive Program) wages paid an employee hired under the Federal Work Incentive Program. The Tax Reduction Act of 1975 extended the WIN program to include Federal welfare recipients of the Aid to Families with Dependent Children (AFDC) Program under the Social Security Act. Small Business Corporations and partnerships were eligible for the credit, although the credit itself was claimed not by these entities, but by the shareholders and partners, respectively, on their individual income tax returns.

The credit was limited to the first \$50,000 of tax liability (defined as income tax less the special income averaging tax from Forms 4792 and 5544 and the Section 72(m)(5) penalty tax, reduced by the elderly, foreign tax, investment, and political contributions credits) plus 50 percent of such tax liability in excess of \$50,000. Amounts in excess of these limitations could be carried back 3 years and the remainder carried forward to the 7 years subsequent to 1979 for use in computing the credit for these years.

#### Zero Bracket Amount

This amount replaced the "standard deduction," in effect for 1976 and earlier years. For 1979, the zero bracket amount was \$3,400 for married taxpayers filing jointly and surviving spouses, \$2,300 for single persons and heads of households, and \$1,700 for married taxpayers filing separately.



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Sources of the Data

The data in this report were estimated from a stratified probability sample of unaudited individual income tax returns, Forms 1040 and 1040A, filed by U.S. citizens and residents and processed in the ten service centers of the Internal Revenue Service during Calendar Year 1980. The total sample of 203,605 returns was selected from a population of 92,774,844 returns.

The estimates in this report are intended to represent all returns filed for Income Year 1979. While about 99 percent of the returns processed during 1980 were for Calendar Year 1979, a few were for noncalendar years ending during 1979 and 1980 and some were returns for prior years. Returns for prior years were used in place of 1979 returns received and processed after December 31, 1980. This was done in the belief that the characteristics of returns due but not yet filed could best be represented by the returns for previous income years that were processed in 1980.

Analysis of prior-year returns indicated similar reporting characteristics, but income averages of prior-year returns were generally less than corresponding averages of current year returns. This is due at least in part to the impact of inflation on

individual incomes. Also, for no readily apparent reason, prior-year returns shown larger deficits. Further analysis of prior-year returns is currently being done, but some results were included in a paper given at the annual ASA meetings in Detroit, Michigan during August 10-13, 1981.<sup>1</sup>

All returns processed during 1980 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling.

Sample Criteria and Selection

Form 1040 and 1040A returns filed and processed into the Internal Revenue Service's Individual Master File System during 1980 were stratified, by computer, into sample strata based on: the presence or absence of a Schedule C (Profit or Loss from Business or Profession); State from which filed; form used (Form 1040 or 1040A); size of adjusted gross income (or deficit) or largest of specific income (or loss) items; and size of business plus farm receipts. Returns were then selected from the sample strata using the ending digits of the Social Security Number (SSN) at rates ranging from 0.05 percent to 100 percent.

The five State Groups listed in table 7A were formed on the basis of the combined total number of Forms 1040 and 1040A from each State. For each State contained in each State Group the sample was designed to select a minimum number of 1,800 returns. This resulted in each State Group receiving a different set of sampling rates. In addition, within each State Group the sample was basically allocated to sample strata to reduce variance. A return was assigned to one of the sample strata when the return amounts for the larger of adjusted gross income or largest of specific income items and size of business plus farm receipts both fit into the boundaries of a sample stratum.

Table 7A contains the number of returns in the population and sample by sample strata and State Group, along with a description of the sample strata. A comparison of the total population of table 7A with the total estimated population shown in the national tables of this report will disclose a small difference. This difference resulted from an estimated 80,000 returns being excluded from the national tables since they contained no income information or were identified as amended or tentative returns after sampling.

\*Ray Shadid designed the sample for this report and prepared the analytical material in this section.

<sup>1</sup>Jim Dumais and Ray Shadid "Individual Statistics of Income: Advancing the Closeout Date," American Statistical Association, 1981 Proceedings, Section on Survey Research Methods.

Table A.—Number of Form 1040 and Form 1050A Returns in the Population and Sample, 1979

Description of Sample Frame	Total										Number of Returns by State Group									
	Population		Sample		Group 1		Group 2		Gr. 3		Group 4		Group 5		Group 6		Group 7			
	Pop.	Sampl.	Popul.	Sampl.	Popul.	Sampl.	Popul.	Sampl.	Popul.	Sampl.	Popul.	Sampl.	Popul.	Sampl.	Popul.	Sampl.	Popul.	Sampl.		
<b>Grand total</b>	92,774,844	203,605	579,602	8,105	4,813,675	38,059	4,007,981	12,310	6,576,280	21,302	73,797,306	123,829								
Larger of adjusted gross income or largest specific income item	10,945,092	7,819	60,987	229	3,912,333	1,115	423,717	186	1,179,451	903	5,679,458	4,193								
Under \$10,000	13,958,009	11,092	51,810	145	681,515	1,527	967,729	84	1,024,870	1,227	10,410,615	7,111								
Under \$10,000 or more	10,183,058	10,469	28,132	53	524,977	1,443	985,415	603	1,026,762	1,444	7,117,172	6,229								
Under \$250,000	12,780,180	13,970	91,553	68	654,072	2,252	555,026	1,150	1,484,591	2,044	11,101,433	9,816								
Under \$250,000 or more	7,608,177	14,058	34,925	476	218,014	1,689	451,299	798	691,490	1,169	6,387,139	4,294								
Under \$1,000,000	1,224,163	13,059	14,694	1,205	63,008	1,937	45,687	702	124,229	1,761	1,275,012	7,429								
Under \$1,000,000 or more	294,767	10,502	1,492	310	11,337	1,136	10,009	705	24,031	1,189	242,969	9,111								
Under \$5,000,000	65,124	13,275	284	292	2,029	4,258	2,258	899	3,461	1,295	37,666	5,614								
Under \$5,000,000 or more	11,027	11,027	40	49	475	475	356	356	785	785	9,362	9,362								
Business, dividends, and tax-exempt interest	8,964,287	82,852	82,901	3,912	529,680	13,074	421,821	4,895	1,088,240	7,748	6,840,995	43,323								
Adjusted gross income \$200,000 or more with no tax after credits and no minimum tax and no alternative minimum tax	27	27																		
Larger of adjusted gross income or largest specific income item																				
Under \$10,000	1,229,556	6,055	13,387	220	110,998	2,229	93,860	349	222,018	328	1,176,123	3,029								
Under \$10,000 or more	1,466,995	6,161	12,959	231	61,609	2,251	77,170	371	186,575	424	1,096,682	2,884								
Under \$100,000	1,443,936	7,501	12,096	261	92,264	2,886	71,840	424	185,673	759	1,071,740	3,181								
Under \$100,000 or more	2,101,418	11,508	18,146	464	122,980	4,153	95,726	639	261,554	1,278	1,603,016	4,984								
Under \$20,000	1,458,315	13,136	16,144	533	74,297	1,751	55,783	527	157,271	1,205	1,134,948	7,020								
Under \$20,000 or more	556,148	10,793	6,789	647	26,773	2,130	19,081	615	34,822	986	447,771	6,325								
Under \$100,000	1,272,291	10,624	1,036	1,036	5,717	2,842	4,429	348	13,220	1,148	102,469	5,050								
Under \$100,000 or more	52,803	8,479	900	400	2,489	2,489	1,274	811	6,229	754	41,111	4,465								
Under \$300,000	7,878	7,878	50	50	343	343	251	251	474	874	6,460	9,380								

Mississippi, Vermont, and Wyoming; Delaware, District of Columbia, Hawaii, Idaho, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, and Utah; Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, Wisconsin, and U.S. citizens abroad.

Method of Estimation

Weighting factors were obtained by dividing the computer population count of returns in a sample stratum by the number of sample returns for that stratum. The weighting factors were then converted to "integer weighting factors" which were applied to each return. For example, if a weight of 44.24 were computed for a stratum, 24 percent of the sample returns in that stratum would receive an integer weight of 45, and 76 percent a weight of 44.

Sampling Variability

The particular sample used in this study is one of a large number of all possible samples that could have been selected using the same sample design. Because ending digits of the SSN are used in the selection procedure, not all samples would be the same size. Estimates derived from the different samples would differ from each other. The deviation of a sample estimate from the average of all possible samples is called the sampling error. The standard error of an estimate is a measure of the variation among the estimates from the possible samples and thus is a measure of the precision with which an estimate from a particular sample approximates the average result of all possible samples.

The coefficient of variation (CV) is the standard error of the estimate expressed as a percent of the estimate. Coefficients of variation, computed using a sum-of-squares method, are shown for selected frequency and amount estimates and appear in tables 7.1, 7.2, and 7.3 of this section. The upper limit coefficients of variation shown in table 7B were computed using a formula based on the sum-of-squares method. These coefficients, applicable to frequencies only, are meant as a general guide for use when computed coefficients of variation are not shown in this report.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that the interval includes the population value. For example, from table 1.4,

the amount estimate, X, of State income tax refunds is \$3.239 billion and, from table 7.1 its related coefficient of variation, CV(X), is 1.0 percent. The standard deviation (error) of the estimate, SE(X), is needed to construct the interval estimate and is the product of the estimate and its coefficient of variation:

$$SE(X) = X \cdot CV(X)$$

$$= (\$3.239 \text{ billion}) \cdot (0.01)$$

$$= \$0.032 \text{ billion.}$$

This SE(X) value is then subtracted from and added to the estimate, X, to construct a 68 percent confidence interval estimate. The interval is computed as

$$X - SE(X) \quad Y \quad X + SE(X), \text{ with 68 percent confidence,}$$

where Y is the population value estimated by X. Based on this data, the interval estimate is from \$3.207 billion to \$3.271 billion (\$3.239 - \$0.032 and \$3.239 + \$0.032). A conclusion that the average estimate of State income tax refunds lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95 percent confidence, multiply the SE(X) value by two. (For these data the resulting interval would be from \$3.175 billion to \$3.303 billion.)

Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained on request by writing to the Statistics Division, PR:S:M, Internal Revenue Service, Washington, DC 20224.

Whenever a weighted frequency (and, in most cases, its corresponding amount) is less than 3, the estimate is combined or deleted in order to avoid disclosure of information for specific taxpayers. These combinations and deletions are indicated by a double asterisk (\*\*) or by a dagger (+). Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single

Table 7B.--Estimated Number of Returns for Selected Upper Limit Coefficients of Variation by Size of Adjusted Gross Income/Deficit

[Cells are estimated number of returns]

Coefficient of variation (C.V.) (Percent)	Size of adjusted gross income/deficit								
	Under \$10,000 <sup>1</sup>	\$10,000 under \$15,000	\$15,000 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 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2.....	8,160,000	5,117,900	4,701,500	3,556,900	3,309,000	1,914,000	509,500	111,200	Estimates of this stratum have no C.V. since all returns are in the sample
5.....	1,365,600	818,900	752,200	569,100	529,400	306,200	81,500	17,800	
10.....	326,400	204,700	188,100	142,300	132,400	76,600	20,400	4,400	
20.....	81,600	51,200	47,000	35,600	33,100	19,100	5,100	1,100	
30.....	36,600	22,700	20,900	15,800	14,700	8,500	2,300	500	
35.....	26,600	16,700	15,400	11,600	10,800	6,300	1,700	400	
50.....	13,100	8,200	7,500	5,700	5,300	3,100	800	200	

<sup>1</sup>This column should be used for estimated number of returns not classified by adjusted gross income/deficit. NOTE: This table is applicable to frequencies only and not to estimated amounts.

asterisk (\*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

A dash in place of a frequency or amount estimate indicates that no return in the sample had that characteristic. A dash in place of a coefficient of variation for which an estimate is shown indicates that all returns with that characteristic were selected at the 100 percent rate.

#### Processing and Management of the Sample

The adequacy of the sample selection process was reviewed by applying prescribed sampling rates for each stratum to the population count for that stratum. A follow-up was required to reconcile differences between the actual number of returns selected and the expected number.

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules.

Data were also adjusted during editing in an attempt to achieve consistent statistical definitions. For example, a taxpayer incorrectly reported dividends on the interest received line of the Form 1040 return. If this error had been detected during statistical editing, the amount of dividends would have been entered into the proper field of the sample record layout.

Quality of the basic data abstracted at the processing centers was controlled there by means of a continuous subsampling verification system. In addition, the Statistics Division in the National Office conducted an independent reprocessing of a small subsample of the returns statistically processed in the field as a further check on processing. Prior to tabulation, numerous computer tests were applied to each return record to assure that proper balance and relationships among return items were maintained.

Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing.







Table 7.1 — Coefficient of Variation for Sources of Income and Adjustments, by Size of Adjusted Gross Income — Continued  
[Coefficient of variation for number of returns and amounts (percent)]

Table with 11 main columns: Total, Domestic and foreign dividends received—Continued, Rent, Royalty. Each column has sub-columns for Number of returns and Amount. Rows include 'All returns, total' and 'Taxable returns, total' with various income brackets like 'No adjusted gross income' and '\$1,000,000 or more'.

Footnote(s) at end of table







Table 7.1 — Coefficient of Variation for Sources of Income and Adjustments, by Size of Adjusted Gross Income — Continued  
[Coefficient of variation for number of returns and amounts (percent)]

Table with columns for Total income, Total loss, Net profit, Net loss, Total income, Total loss, Number of returns, Additional first-year depreciation, Number of returns, Amount, Net profit, Amount, Number of returns, Net loss, Amount, Number of returns, Total income, Total loss, Number of returns, and Total loss. Rows are categorized by size of adjusted gross income and taxability.

Footnote(s) at end of table











Table 7.2 — Coefficient of Variation for Tax Liability and Taxpayments, by Size of Adjusted Gross Income — Continued

Table with columns: Size of adjusted gross income, Total (Number of returns, Amount), Tax from recomputing prior-year investment credit (Number of returns, Amount), Penalty tax on individual retirement arrangements (Number of returns, Amount), Self-employment tax (Number of returns, Amount), Social security taxes on tip income (Number of returns, Amount), Earnings income credit used to offset all other taxes (Number of returns, Amount), and Number of returns with no tax liability. Rows include 'All returns, total' and 'Taxable returns, total' with various income brackets.

Footnotes at end of table.

Table 7.2 — Coefficient of Variation for Tax Liability and Taxpayments, by Size of Adjusted Gross Income — Continued

Size of adjusted gross income		Taxpayments													
Total		Income tax withheld			Estimated tax payments			Payment with request for extension of filing time			Excess social security taxes withheld		Credit for tax on certain gasoline fuel, and on		
Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All returns, total.....</b>															
4,6	5.0	6.1	7.0	8.0	9.9	10.6	11.8	12.4	13.3	14.1	14.9	15.6	16.4	17.1	17.8
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Taxable returns, total.....</b>															
204	6.6	15.0	10.9	23.4	3.1	11.7	1.8	15.2	2.1	19.9	3.3	22.2	2.2	30.4	3.9
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Total nontaxable returns.....</b>															
18	1.3	0.0	1.3	3.4	4.2	10.6	14.5	17.8	14.9	4.6	5.4	17.8	14.9	4.6	5.4
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Footnote(s) at end of table





Table 7.3 — Coefficient of Variation for Sources of Income and Tax Items, by State

[Coefficient of variation for number of returns and amounts (percent)]

States	Number of returns		Adjusted gross income less deficit		Salaries and wages		Business and professional net profit less loss		Farm net profit less loss		Partnership net profit less loss		Sales of capital assets net gain less loss		Sales of property other than net gain less loss	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
United States, total	1	1	1	7	191	1.4	3.8	1.1	22	125						
Alabama	5	8	8	10	117	17	527	137	249	84	9	11	125			
Alaska	2	16	30	17	211	277	82	21	1445	72	84	92	807.5			
Arizona	3	13	12	10	169	164	51	100	332	57	103	176	1374			
Arkansas	6	12	11	16	89	89	319	13	338	30	106	128	1,412.6			
California	2	3	4	4	23	86	283	35	138	25	28	109	352			
Colorado	5	8	10	11	13	62	696	86	409	70	25	63	1075			
Connecticut	12	11	14	14	26	139	896	121	277	57	70	149	1058			
Delaware	14	18	19	23	2.2	284	1098	149	436	213	69	105	283			
District of Columbia	22	23	29	44	9.1	570	611	137	164	84	98	208	614			
Florida	5	6	9	8	1,163.8	155	1163.8	7.5	286	41	4.8	87	1303			
Georgia	6	10	14	10	33.4	55	33.4	11.5	33.7	7.4	8.1	12.2	108.0			
Hawaii	15	13	17	17	41	268	934	85	35.4	7.4	6.6	18.2	40.2			
Idaho	10	12	15	17	100	688.2	116	52	552	74	9	172	444			
Illinois	3	4	4	6	181	95	181	6.6	224	42	4.2	94	323			
Indiana	4	6	7	8	125.9	99	125.9	13.0	21.5	5.5	6.8	11.5	209.6			
Iowa	4	9	12	15	147	65	147	10.3	17.5	11	11.8	15.1	122.1			
Kansas	7	10	13	13	186	83	186	10.5	17.5	8.1	5.9	8.1	253			
Kentucky	5	8	9	11	145.5	76	145.5	118	151	51	51	95	315			
Louisiana	6	8	10	11	212	222	212	136	212	70	70	128	376			
Maine	18	17	21	20	43	176	423	98	299	97	97	211	877			
Maryland	9	8	11	12	314.0	201	314.0	111	206	104	237	261	404			
Massachusetts	4	9	9	13	531	531	531	113	224	67	99	180	1023			
Michigan	2	4	5	6	642	117	642	83	192	47	83	137	912			
Minnesota	4	7	10	11	399	93	399	104	342	57	85	137	473			
Mississippi	6	10	9	14	97.9	121	97.9	124	164	83	109	219	463.8			
Missouri	3	7	9	11	464	79	464	105	336	59	96	129	416			
Montana	11	14	17	21	758	99	758	108	306	64	80	112	221			
Nebraska	7	11	15	17	186	56	186	115	351	66	95	118	282			
Nevada	16	14	19	20	253	253	253	112	1888	74	64	196	4305			
New Hampshire	22	20	25	24	328	328	328	164	392	70	70	243	868			
New Jersey	6	6	8	8	111.2	331	111.2	84	235	52	89	231	111.2			
New Mexico	12	13	14	16	934	123	934	111	287	68	76	148	255			
New York	4	4	5	5	163	54	163	60	127	35	41	154	819			
North Carolina	5	7	7	9	1,809.8	123	1809.8	110	202	71	112	195	1156			
North Dakota	20	20	29	31	262	80	262	168	255	76	121	117	279			
Ohio	3	4	5	6	1452	108	1452	81	212	48	66	137	144.0			
Oklahoma	17	8	12	13	880	86	880	104	303	68	86	128	273			
Oregon	1	10	16	14	821	131	821	81	307	59	89	122	269			
Pennsylvania	2	4	5	6	599	130	599	81	400	72	72	124	381			
Rhode Island	20	21	22	23	373	373	373	174	456	95	142	310	484.2			
South Carolina	7	10	9	12	401.7	179	401.7	146	241	91	111	270	1023			
South Dakota	16	20	27	30	251	74	251	142	287	66	66	107	408			
Tennessee	8	10	11	13	551.2	99	551.2	116	364	80	101	175	405			
Texas	3	4	5	6	420	58	420	55	128	36	36	76	237			
Utah	6	9	9	12	1160	137	1160	80	620	65	101	175	969			
Utah	29	29	33	34	714	173	714	141	343	90	164	199	1109			
Virginia	5	6	8	10	81	80	81	100	327	61	108	210	447			
Washington	4	5	6	9	146.6	161	146.6	91	340	56	83	150	2241			
West Virginia	8	10	12	13	1617	236	1617	162	248	110	144	244	658			
Wisconsin	3	6	6	10	224	107	224	112	262	62	105	131	297			
Wyoming	14	16	16	19	378	55	378	101	1040	61	67	121	395			
ATO/FPO <sup>a</sup>	77	80	78	80	77	—	—	703	785	331	1147	—	—			
Puerto Rico	60	89	131	140	*63.2	*135.8	*612	*361	*612	*643	*643	—	—			
U.S. citizens abroad <sup>b</sup>	39	40	54	43	17.2	523	548	303	157.2	17.5	192	693	223.2			

Footnote(s) at end of table



Table 7.3 — Coefficient of Variation for Sources of Income and Tax Items, by State — Continued

[Coefficient of variation for number of returns and amounts (percent)]

States	Small Business Corporation net profit less loss		State income tax refunds		Total		Unemployment compensation		In adjusted gross income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
United States, total	2.9	6.7	7	1.0	1.4	2.4	2.6	3.4	2.6	3.4
Alabama	25.7	145.7	4.5	4.6	10.2	14.7	22.7	30.3	22.7	30.3
Alaska	21.9	176.0	4.6	4.1	12.1	10.1	9.1	11.4	10.1	11.4
Arizona	22.0	55.3	5.5	6.6	15.5	22.2	24.4	27.3	24.4	27.3
Arkansas	19.6	33.4	7.7	7.7	13.8	50.9	31.0	27.1	31.0	27.1
California	11.8	74.2	1.8	2.1	4.6	8.6	7.8	9.5	8.6	9.5
Colorado	19.7	40.7	3.4	3.7	15.0	20.6	24.0	28.5	24.0	28.5
Connecticut	21.3	55.8	12.9	12.4	10.9	33.2	21.7	24.7	21.7	24.7
Delaware	34.9	31.7	7.6	8.4	18.4	19.9	37.2	29.2	37.2	29.2
District of Columbia	35.3	99.2	7.9	7.2	35.1	43.0	51.1	37.6	51.1	37.6
Florida	10.8	18.2	14.3	25.0	10.0	14.1	24.6	32.9	24.6	32.9
Georgia	23.0	49.6	5.6	7.0	9.4	12.9	20.4	22.3	20.4	22.3
Hawaii	26.1	55.6	5.0	5.4	17.9	26.2	18.1	27.0	26.2	27.0
Idaho	18.4	45.6	6.3	7.7	14.2	21.1	20.2	23.8	21.1	23.8
Illinois	13.1	30.6	4.0	6.6	6.6	8.5	10.6	14.2	8.5	10.6
Indiana	13.1	29.4	7.2	15.7	9.6	14.1	15.8	23.7	14.1	23.7
Iowa	17.1	35.0	3.8	4.3	13.1	16.8	19.4	28.1	16.8	28.1
Kansas	23.1	48.2	6.1	6.1	15.0	19.4	23.8	28.5	19.4	23.8
Kentucky	19.0	169.2	4.2	4.7	9.8	13.5	18.0	22.5	13.5	22.5
Louisiana	22.3	43.8	10.8	10.5	13.5	16.4	27.0	33.3	16.4	27.0
Maine	26.1	99.0	9.0	9.8	15.2	20.1	41.0	31.4	20.1	41.0
Maryland	22.7	91.4	4.0	4.4	12.3	16.1	19.4	26.5	16.1	26.5
Massachusetts	25.2	1,327.6	5.2	6.1	9.6	13.7	17.8	24.2	13.7	24.2
Michigan	19.6	46.1	3.2	4.8	5.2	7.4	9.7	13.2	7.4	13.2
Minnesota	17.1	55.5	4.9	4.9	11.1	14.7	19.7	20.8	14.7	20.8
Mississippi	19.6	27.7	7.5	10.2	15.0	38.6	41.4	48.6	38.6	48.6
Missouri	18.2	63.2	6.1	6.6	8.9	12.3	18.0	24.8	12.3	18.0
Montana	18.7	73.4	6.2	6.6	16.2	17.5	23.3	30.7	17.5	23.3
Nebraska	21.3	52.1	6.8	6.7	20.2	22.3	41.9	56.9	22.3	41.9
Nevada	22.7	589.3	19.9	28.7	21.2	26.4	21.9	34.6	26.4	34.6
New Hampshire	24.0	102.4	14.0	16.6	15.5	22.9	24.8	33.9	22.9	33.9
New Jersey	14.7	31.1	3.8	5.5	6.7	8.6	11.6	14.0	8.6	11.6
New Mexico	26.1	39.9	6.5	8.2	22.2	34.9	41.4	49.0	34.9	49.0
New York	10.7	58.5	2.5	2.5	4.9	6.5	8.9	11.4	6.5	8.9
North Carolina	23.4	1,158.5	4.9	5.2	11.6	17.3	29.0	41.3	17.3	29.0
North Dakota	22.3	36.4	11.0	17.8	19.1	22.0	34.4	37.5	22.0	34.4
Ohio	17.9	39.2	5.5	7.1	5.7	10.4	10.3	14.0	10.4	14.0
Oklahoma	17.8	26.5	6.8	7.0	15.2	20.2	37.0	42.6	20.2	37.0
Oregon	21.5	57.6	4.0	4.5	10.1	13.6	22.0	21.5	13.6	22.0
Pennsylvania	17.5	80.1	12.7	17.5	4.8	7.1	9.9	13.1	7.1	9.9
Rhode Island	32.7	49.5	8.3	8.7	14.2	19.9	23.1	38.5	19.9	23.1
South Carolina	28.3	134.4	5.9	6.1	14.5	18.9	34.5	38.7	18.9	34.5
South Dakota	23.3	34.8	6.5	5.7	25.0	31.2	48.8	64.0	31.2	48.8
Tennessee	24.0	42.2	30.1	73.7	8.9	12.6	22.2	28.5	12.6	22.2
Texas	12.4	95.7	19.3	18.5	9.5	23.9	18.5	23.0	23.9	18.5
Utah	17.4	113.7	4.3	6.0	16.4	21.3	21.5	25.7	21.3	25.7
Vermont	23.0	346.6	8.8	11.9	24.1	20.6	34.5	37.5	20.6	34.5
Virginia	21.5	65.1	4.1	5.0	12.8	14.1	26.9	35.5	14.1	26.9
Washington	19.0	63.2	17.2	20.6	9.8	12.8	16.0	17.7	12.8	16.0
West Virginia	34.4	36.6	13.1	9.8	9.8	13.6	16.0	21.5	13.6	16.0
Wisconsin	23.1	108.3	3.7	5.3	8.9	12.7	16.2	24.6	12.7	16.2
Wyoming	35.1	60.9	22.3	23.5	16.0	18.7	33.3	38.6	18.7	33.3
APO/FPO <sup>1</sup>	—	—	*69.2	*73.0	—	—	—	—	—	—
Puerto Rico	—	—	*70.7	*54.9	—	—	—	—	—	—
U.S. citizens abroad <sup>2</sup>	—	—	*61.2	*77.8	—	—	—	—	—	—
	71.6	83.1	34.5	32.1	77.8	77.8	—	—	77.8	—

Footnote(s) at end of table



**Table 7.3 — Coefficient of Variation for Sources of Income and Tax Items, by State — Continued**  
 (Coefficient of variation for number of returns and amounts (percent))

States	Exemptions		Total itemized deductions		Taxable income		Income tax after credits		Total income tax		Total tax liability	
	Number of exemptions (37)	Amount (38)	Number of returns (39)	Amount (40)	Number of returns (41)	Amount (42)	Number of returns (43)	Amount (44)	Number of returns (45)	Amount (46)	Number of returns (47)	Amount (48)
United States, total	2	2	4	3	1	1	2	1	2	2	1	2
Alabama	16	16	29	27	11	9	17	11	18	11	17	11
Alaska	34	34	29	25	34	17	33	17	34	17	34	17
Arizona	19	19	24	21	14	10	20	11	20	11	20	11
Arkansas	20	20	43	13	16	13	25	15	25	15	24	15
California	7	7	10	9	4	3	6	4	6	4	6	4
Colorado	15	15	23	20	10	9	17	11	18	11	17	11
Connecticut	19	19	37	30	14	13	17	13	17	13	17	13
Delaware	27	27	46	35	24	19	31	20	32	20	32	20
District of Columbia	42	43	46	38	26	25	37	25	37	25	37	25
Florida	11	11	26	23	7	7	11	8	11	8	11	8
Georgia	14	14	29	25	10	10	14	12	15	12	15	12
Hawaii	20	20	30	15	20	14	27	15	28	15	28	15
Idaho	23	22	36	17	13	13	25	15	26	16	25	15
Illinois	9	9	18	16	5	4	8	6	8	6	8	6
Indiana	13	13	33	6	8	6	11	9	12	9	12	9
Iowa	14	14	31	30	10	9	15	11	14	10	15	11
Kansas	17	17	34	30	12	10	18	12	19	13	18	12
Kentucky	15	15	30	28	10	9	16	11	17	11	16	11
Louisiana	17	17	41	41	10	12	17	16	17	16	17	16
Maine	24	24	50	50	21	18	30	20	31	21	30	20
Maryland	16	16	23	21	11	11	15	11	15	11	15	11
Massachusetts	13	13	24	9	9	8	13	9	13	9	13	9
Michigan	10	10	17	15	6	5	9	6	9	6	9	6
Minnesota	14	14	25	21	8	11	14	10	15	11	14	11
Mississippi	21	21	36	37	14	12	22	23	23	14	23	13
Missouri	14	14	34	32	8	8	13	10	14	10	13	10
Montana	26	26	39	32	18	14	31	14	31	15	30	15
Nebraska	17	17	35	35	13	11	21	13	23	15	21	14
Nevada	26	26	39	81	21	15	31	15	31	15	31	15
New Hampshire	28	28	47	46	26	21	31	23	31	23	31	22
New Jersey	12	12	22	19	7	6	10	8	11	8	10	8
New Mexico	25	25	38	38	20	15	27	15	29	15	28	15
New York	8	8	13	10	5	4	7	5	7	5	7	5
North Carolina	14	14	29	27	8	14	14	10	15	11	14	10
North Dakota	27	27	55	51	25	19	33	20	36	23	33	22
Ohio	9	9	22	20	5	5	8	6	8	6	8	6
Oklahoma	15	15	33	31	11	10	17	11	18	12	17	11
Oregon	18	18	29	26	14	11	19	12	20	13	19	12
Pennsylvania	9	9	21	19	5	5	8	6	8	6	8	6
Rhode Island	26	26	45	40	24	22	32	24	32	24	32	23
South Carolina	18	18	34	31	13	11	19	13	20	13	19	13
South Dakota	22	22	41	64	22	20	36	21	41	25	36	22
Tennessee	17	17	41	36	12	11	16	13	17	13	17	13
Texas	9	9	21	19	5	4	8	5	9	6	8	6
Texas	16	16	22	22	15	11	23	12	24	12	23	12
Utah	31	31	52	51	34	32	47	33	49	33	47	32
Vermont	13	13	25	23	8	7	12	9	13	9	12	9
Virginia	14	14	31	31	14	10	14	10	14	10	13	10
Washington	19	19	58	51	15	11	21	12	22	13	21	13
West Virginia	13	13	25	24	8	7	13	10	14	10	13	10
Wisconsin	20	20	40	39	22	17	30	16	31	17	30	16
Wyoming	88	89	319	323	78	62	83	104	85	104	85	104
APC/FPO	101	101	488	381	151	98	169	108	284	151	284	151
Puerto Rico	56	57	145	162	50	41	60	41	77	61	73	61
U.S. citizens abroad <sup>a</sup>												

<sup>a</sup>Estimates should be used with caution because of the small number of sample returns on which it is based

<sup>b</sup>Returns filed from Army Post Office and Fleet Post Office addresses

<sup>c</sup>Returns filed by U.S. citizens living in the U.S. possessions or abroad



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Introduction

The Tax Reform Act of 1976 (Section 2123) requires the annual publication of data on individuals with high incomes as defined under four different income concepts, including the number of such individuals who do not pay any income tax and the importance of various tax provisions in making those individuals nontaxable. Data for the individuals with incomes of \$200,000 or more as well as analyses of the reasons for the nontaxability or very low taxes of some individuals have been, or will be, published for the years 1975 through 1978 by the Office of Tax Analysis, Office of the Secretary of the Treasury. In order to make such data available on a more timely basis and to a wider audience, beginning with data for 1979, selected data for high-income individuals, taxable as well as nontaxable, will be published, without analysis, as part of the Internal Revenue Services's Statistics of Income program.

The section contains 12 tables with data from income tax returns with incomes of \$200,000 or more. Data are shown for all returns, taxable returns, and nontaxable returns. Separate parts of each table contain data on high income returns as defined by each of four different income concepts. The tables show:

- the numbers of returns (total, taxable, and nontaxable) under the various income concepts (Tables 8.1 and 8.7);
- the frequency and amount of various sources of income, exclusions, deductions, and tax credits as well as the relationships between the four income concepts (Tables 8.2 and 8.8);
- the frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income taxes (Tables 8.3 and 8.9);
- the frequency with which various itemized deductions and tax credits occur as certain percentages of income (Table 8.4 and 8.10);
- the distribution of effective tax rates, that is, income tax as a percentage of income (Tables 8.5 and 8.11); and
- the distribution of taxable income as a percentage of total income (Tables 8.6 and 8.12).

\*Allan Lerman, of the Office of Tax Analysis, U.S. Treasury Department, designed the tables and prepared the text for this section.

Tables 8.1 through 8.6 contain data with "foreign tax credit" treated as items which reduce U.S. income taxes; this is the treatment on tax returns. Tables 8.7 through 8.12 are similar to the first set of six tables but treat "foreign tax credit" as part of the individual's income tax liability. This different treatment is explained in more detail in the section "Foreign Tax Credits," below.

#### Economic Income, the Ideal Measure

High-income tax return data are published to help analysts assess the impact and equity of the income tax system on high-income individuals. For this purpose, both income and income taxes must be measured accurately.

Economists generally agree that, for analyzing the impact of taxes, the ideal measure of income over a particular period of time, say a year, is the amount that the individual or family has consumed over that period plus the change in its net worth. For example, if a family spends \$10,000 and saves \$2,000 during the year, economists would say that the family has an income of \$12,000. Similarly, if the family spends \$10,000 but owns an asset that has decreased in value by \$1,000, economists would say that the family has an income of only \$9,000.

A brief examination of the differences between income as defined by economists, so-called economic income, and the adjusted gross income (AGI) concept currently used for purposes of income tax administration, illustrates some of the problems of measuring income, especially for high-income individuals.

#### Adjusted Gross Income

The concept of adjusted gross income (AGI) has been developed for tax administration. It has never been meant to be an accurate measure of so-called economic income, and it is well-recognized that AGI is deficient as a measure of a taxpayer's economic income. AGI excludes some income from certain sources, such as interest from tax-exempt State and local government bonds, social security benefits, and imputed rent on owner-occupied housing. Also, while not strictly excluded from AGI, income from certain activities is deferred to a later year, or indefinitely, for income tax purposes. Depreciation deductions allowed for income tax purposes which exceed the decrease in economic value often reduce AGI early in the life of an asset, but the resulting lower depreciation deductions in later years may raise AGI. The net effect of accelerated depreciation is to postpone taxes, perhaps indefinitely.<sup>1</sup>

<sup>1</sup>The Internal Revenue Code defines AGI as all gross income that is not specifically excluded. Among the exclusions are (1) trade or business deductions (including most such deductions by employees), (2) the deduction for percent of net long-term capital gains, (3) limited deductions for losses from the sale or exchange of property, (4) deductions attributable to rents and royalties, (5) the moving expenses adjustment, and (6) deductions for contributions to individual retirement arrangements and H.R. 10 plans. Gross income includes only income which has been "realized." Thus, for tax purposes, accrued increases or decreases in the value of assets generally are not included in income until a gain or loss is realized by a sale or exchange. Similarly, gross income does not include the value of the services received from the use of durable goods, such as imputed net rent of owner-occupied housing. Finally, interest on State and local government debt and social security benefits are not included in AGI.

<sup>2</sup>If the sum of tax preferences which were subject to the "minimum tax" exceeded \$10,000 (\$5,000 in the case of married persons filing separate returns), the taxpayer was required to file a Form 4625, listing preferences by amount and type. For such taxpayers, the "tax preferences excluded from adjusted gross income," as tabulated in Tables 8.2 and 8.7, include the following items: the dividend exclusion; the excluded portion of long-term capital gains; the excess of accelerated depreciation over straight-line depreciation on certain real property and personal property subject to a lease; the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceed the otherwise-allowable amortization deduction. The itemized deduction tax preference item (which, along with the excluded long-term capital gains, is reported on Form 6251) does not represent income which has been omitted; hence, it has not been counted as a preference item in calculating a broader measure of income.

Adjusted gross income excludes most changes in net worth, such as the excluded portion of realized long-term capital gains and all accrued, but unrealized, capital gains.

Even though some types of income are excluded, AGI may overstate economic income because some expenses incurred in the production of income are not deductible in the computation of AGI. Most of these expenses are deductible from AGI in calculating taxable income, but only if the taxpayer itemizes his personal deductions. Expenses which fall into this category include certain employee expenses and expenses attributable to a taxpayer's investments (as opposed to his active operation of a trade or business), including, but not limited to, interest expense incurred in connection with investments in securities. Although net capital losses reduce economic income, only the first \$3,000 of net realized capital losses may be deducted in the computation of AGI. Any additional realized losses must be carried forward to future years.

#### Redefining Income

Ideally, the impact of all taxes should be measured relative to economic income. However, no accurate detailed data on such a broadly-defined income measure are available from income tax returns (or from any other source) for a cross-section of American taxpayers. As a practical matter, any broad income measure must be calculated from data already available from Federal individual income tax returns. Thus, a more comprehensive income measure must start from AGI and, to the extent that data are available, must make adjustments for omitted income items and for expenses which ought to be deductible in calculating income.

#### Omitted Income

Tax returns contain information about only a portion of the income which is included in economic income but excluded from AGI. The omitted income which can be identified on tax returns consists of the dividend exclusion of up to \$100 per taxpayer; the excluded portion of long-term capital gains; and the income from sources which were considered to be tax preferences for purposes of the minimum tax. It should be noted that unless such preferences exceed \$10,000, the total amount of such preferences is not recorded, since the taxpayer did not have to file Form 4625.<sup>2</sup>

Even after including preference income which is not an AGI but which is identifiable on tax returns, several major sources of income for high-income taxpayers are still omitted:

- interest on tax-exempt State and local government bonds;
- certain agricultural expenses which are deducted when paid even though related income items are not includable in income until a later year; and
- straight-line depreciation deductions on real estate to the extent that they exceed economic depreciation.<sup>3</sup>

For real estate, the combination of a shorter life for tax purposes than the true economic life of the property and the use of accelerated depreciation methods produces tax depreciation deductions which exceed economic depreciation, especially in the early years of ownership. At some future time, income may be correspondingly higher; but in the meantime, the taxpayer has had the interest-free use of the deferred taxes. Also, if taxed in the future, the income may be converted into a long-term capital gain which is taxed at a lower rate.

Because sources of income not identifiable from tax return data are excluded, all four income measures may understate economic income. As a consequence, some individuals with high economic incomes may have been omitted completely from the high-income group covered by this report. Moreover, even for the individuals included, the income of some will be understated and taxes as a percentage of income (that is, the effective tax rate) will be overstated.

#### Investment Expenses

In determining economic income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments. Since economic income would include all investment income, it would be proper to deduct all investment expenses without limit. Investment expenses in excess of income would then represent a net economic loss, roughly akin to a net operating loss from a trade or business. However, such a liberal deduction from investment-related expenses is not necessarily correct when all income items are not included currently.

If all income is not included currently, the full deduction for investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrows funds to purchase securities, his net income would be understated if he deducts all of his interest payments on the loan but does not include as income any accrued gains on the securities. A similar mismatching of income and expenses could occur if other investment expenses that should properly be capitalized are deducted when they are paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income is included on the tax return.

Additional problems are created when a person with a loan has both income-producing assets, such as

securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to the income-producing assets and, therefore, ought to be deductible in measuring income.

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

Investment expenses which have not been deducted in determining AGI appear on a Federal income tax return in two places. Investment interest appears as part of the itemized deduction for interest; other investment expenses such as management fees are included in the miscellaneous category of itemized deductions. For purposes of determining expenses which should be deductible in calculating an approximation to economic income, investment expenses have been defined as the entire interest deduction other than interest paid on a home mortgage. Other investment expenses could not be determined since they could not be separated from the remainder of "miscellaneous deductions." Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they are a deduction in the computation of broadly-measured income. One consequence of this definition is that investment expenses can never turn a profitable investment into a losing investment. Generally, allowing investment expenses to offset all of investment income is generous and tends to understate broadly-measured income. On the other hand, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses. This arbitrary procedure has been selected because, with the omission of accrued capital gains from income, allowing all investment expenses to be deducted would represent a mismatching of income and expenses.

The amount of investment income against which investment interest can be offset depends on the amount of investment income included in the income measure under consideration. Investment income consists of interest, dividends, and net capital gains (or losses). However, if only a portion of capital gains are included in the income concept, as is the case with AGI, then only that portion is considered to be investment income. A similar adjustment is also made for the dividend exclusion of up to \$100 per taxpayer.

#### Expanded Income

The Congress has asked for high-income data to be tabulated on the basis of a measure closely approximating economic income but using only data available on tax returns. This measure is called "expanded income."

Expanded income is defined as adjusted gross income plus items of tax preference income excluded from AGI less investment expenses to the extent that they do not exceed investment income.<sup>4</sup> Tax preferences that are included are the \$100 per taxpayer exclusion for qualifying dividends, the excluded portion of net long-term capital gains, and, where the taxpayer has

<sup>3</sup>The omission of social security benefits and certain other items is relatively unimportant for high-income taxpayers.

<sup>4</sup>For the sake of brevity, "investment interest to the extent that it does not exceed investment income" is called "investment interest." "Investment interest in excess of investment income" is called "excess investment interest."

filed a minimum tax form with his tax return, all other preferences subject to the minimum tax.<sup>5</sup> For individuals, the only preference income items of significance other than the excluded portion of capital gains are the excess of accelerated depreciation over straight-line depreciation on real property and on personal property subject to a lease, the excess of percentage depletion over the cost of the property, and deductions for intangible drilling costs in excess of the amount deductible if these costs had been amortized. Because expanded income is based on tax return data, it excludes items such as interest on tax-exempt State and local bonds, accrued but unrealized capital gains, and straight-line depreciation on real estate in excess of economic depreciation.

#### Four Income Measures

The Congress has mandated that high-income tax return data be selected and classified on the basis of four definitions of income. Expanded income and AGI have already been discussed. Each of the two other measures embodies only one of the two major conceptual differences between expanded income and AGI. "Adjusted gross income plus preferences" is AGI plus the amount of tax preference income. "Adjusted gross income less investment interest" is AGI less the amount of investment interest to the extent that it does not exceed investment income.

When ranked according to size of income, AGI plus preferences is largest, AGI less investment interest is smallest, and AGI and expanded income fall in the middle. For any given taxpayer, AGI can be larger or smaller than expanded income depending on whether preferences are larger or smaller than investment interest.

The four income concepts are related in the following manner:<sup>6</sup>

Expanded Income  
 = Adjusted Gross Income + Preferences - Investment Interest  
 Adjusted Gross Income  
 = Expanded Income - Preferences + Investment Interest  
 Adjusted Gross Income plus Preferences  
 = Adjusted Gross Income + Preferences  
 or = Expanded Income + Investment Interest  
 Adjusted Gross Income minus Investment Interest  
 = Adjusted Gross Income - Investment Interest  
 or = Expanded Income - Preferences  
 Expanded income is the measure which most closely approximates economic income.

#### Foreign Tax Credits

United States income taxes are based on global (worldwide) income. Thus, U.S. citizens and residents generally must include income on their U.S. income tax returns regardless of whether it is obtained in the United States or in a foreign country. However, when a taxpayer has foreign-source income, the U.S. income tax computed on global income may often be reduced on a dollar-for-dollar basis by the amount of foreign income taxes which have been paid on that foreign income. These offsets for foreign income taxes are called "Foreign Tax Credits."<sup>7</sup>

Statistics of Income data (which are collected as a by-product of tax administration) include global income as reported on U.S. income tax returns, but SOI data usually only include U.S. income taxes after deducting foreign tax credits. Where taxpayers have income from foreign sources, this procedure understates their tax liabilities and their effective tax rates. If all income is reported on tax returns, a more accurate measure of their tax burden is obtained if all income taxes--U.S. as well as foreign--are also included. Analysis of high-income tax returns for previous years has indicated that a substantial portion of the so-called high-income nontaxables had a large share of their income from non-U.S. sources and had paid substantial amounts of foreign income taxes on that income. Thus, it does not seem appropriate to classify these individuals as nontaxable or to classify their foreign tax credits as special tax benefits.

In order to give a more realistic picture of the taxation of individuals with foreign-source income this section includes six tables (Tables 8.7 through 8.12) for which income tax liability has been redefined to consist of the total amount of U.S. income taxes (income taxes after credits plus the minimum and alternative minimum tax) plus the amount of foreign tax credits. Because information on foreign tax liabilities is not available on, or tabulated from, U.S. income tax returns, foreign tax credits were selected as a proxy for foreign tax liabilities. Where foreign tax rates exceed U.S. rates and in certain other instances, foreign tax credit will be less than foreign tax liabilities. In such cases using foreign tax credit as a proxy for foreign taxes understates global income taxes. In cases where foreign tax credit are for taxes paid on income from an earlier year, use of foreign tax credit may either overstate or understate global taxes on the current year's income.

Tables 8.1 through 8.6 are based on foreign tax credit as treated on tax returns; that is, as tax credits reducing U.S. income taxes. In those tables tax liabilities consist solely of U.S. income tax liabilities after deducting any foreign tax credit. Tables 8.7 through 8.12 repeat the contents of the first six tables under the assumption that foreign tax credit represent income tax liabilities. Thus these tables permit a comparison of global income tax liabilities with global income. For purposes of these tables, income taxes are defined as the amount of U.S. income taxes plus the amount of foreign tax credit.

#### Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the minimum tax on tax preferences, the maximum tax on personal service income, and income averaging), the different types of items must be put on the same basis. One way of doing so is to calculate the size of the deduction which would be necessary to reduce (or increase) income tax by the same amount as a tax credit. This amount is called the "deduction equivalent" of the tax credit, etc.

<sup>5</sup>See footnote 2.

<sup>6</sup>The borderline between excess and nonexcess investment interest depends on the income items actually included under each income concept. Hence, the investment interest adjustment differs depending on which income definition is used.

<sup>7</sup>Certain amounts of income earned abroad are excluded from AGI by statute. Any foreign taxes paid on such income are not creditable against U.S. income taxes. The tables in this section do not reflect the amounts of income excluded.

The deduction equivalent of a tax credit or special tax computation is the difference between the taxable income which, using ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between taxable income which would yield tax before credits" and "taxable income which would yield tax after credits."

Under this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated affects the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first.

The deduction equivalents of tax credits shown in tables 8.4 and 8.10 were computed by assuming that deductions and exclusions reduced taxes before tax credits. As a result, the deduction equivalent of tax credits is biased upwards.

The total impact of various deductions, exclusions, tax credits, and special tax computations can only be measured if the aggregate value of these items in reducing, or increasing, income taxes is put on a comparable basis. Two often-used measures of the value of deductions and exclusions are (1) the share of income which has been excluded from tax and (2) the share of income which remains subject to tax. The latter measure can also include the impact of tax credits and special tax computations if the deduction equivalent of these items is added to "taxable income" defined in the ordinary manner. Doing so yields what this report calls "Taxable Income which would yield Income Tax Before Credits," "Taxable Income which would yield Income Tax After Credits," and "Taxable Income which would yield Total Income Tax." These measures could be computed directly from taxable income and from the deduction equivalents of the appropriate items. However, these measures were computed by using the tax rate schedules to calculate the amount of taxable income which would have been necessary (when subject to tax under the appropriate, ordinary tax rate schedule) to yield the given amount of tax.

#### Unaudited Data

To the extent possible, tax return data used in the Statistics of Income program is as it was reported on tax returns filed with the Internal Revenue Service. In general, obvious arithmetic errors have been corrected, but otherwise most of the data have not been altered. In particular, the data do not reflect any changes which may have been made as a result of audits by IRS. While this is true of data throughout the SOI report, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from returns which have not been audited is of even greater importance for those high-income returns which are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

#### Numbers of High-Income Tax Returns

In 1979, the number of tax returns with incomes of \$200,000 or more ranged from 87,612 to 129,437 depending on income concept. These numbers represent about one-tenth of one percent of all tax returns filed.

Of all high income returns, only 56 to 127 were nontaxable, even if only income taxes paid to the United States are included. These nontaxable returns represent less than one-tenth of one percent of all high-income returns.

If nontaxability is measured by worldwide income tax liabilities, only 18 to 74 returns were not subject to tax. At most, such returns represent six one-hundredths of one percent of all high-income returns. Thus, treating foreign tax credit as if they represent tax payments reduces the number of nontaxable high income tax returns by between 42 percent and 68 percent.

Using expanded income, there were 122,231 high-income returns. One-hundred and fourteen returns, or 0.09 percent, showed no U.S. income tax liability, but only 64 returns, or 0.05 percent, showed no worldwide income tax liability.

Table 8.1—Returns With and Without Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
<b>Part I—All Returns</b>					
<b>Total.....</b>	<b>92,694,302</b>	<b>90,352,821</b>	<b>1,889,878</b>	<b>357,872</b>	<b>93,731</b>
<b>Size of expanded income</b>					
Under \$50,000	90,158,807	90,112,505	45,898	372	32
\$50,000 under \$100,000	2,008,182	231,859	1,765,339	10,828	156
\$100,000 under \$200,000	405,082	7,606	76,181	318,790	2,505
\$200,000 or more	122,231	851	2,460	27,882	91,038
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	90,079,611	90,079,611	—	—	—
\$50,000 under \$100,000	2,065,654	264,172	1,801,482	—	—
\$100,000 under \$200,000	419,600	8,121	85,315	326,164	—
\$200,000 or more	129,437	917	3,081	31,708	93,731
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	90,426,154	90,352,821	72,297	927	109
\$50,000 under \$100,000	1,838,695	—	1,817,581	20,841	273
\$100,000 under \$200,000	341,841	—	—	336,104	5,737
\$200,000 or more	87,612	—	—	—	87,612
<b>Part II—Returns With Total Income Tax</b>					
<b>Total.....</b>	<b>73,395,421</b>	<b>71,063,281</b>	<b>1,881,269</b>	<b>357,210</b>	<b>93,661</b>
<b>Size of expanded income</b>					
Under \$50,000	70,870,390	70,825,151	44,827	372	30
\$50,000 under \$100,000	1,998,732	229,727	1,758,048	10,805	152
\$100,000 under \$200,000	404,192	7,597	75,934	318,163	2,498
\$200,000 or more	122,117	806	2,460	27,870	90,981
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	70,793,135	70,793,135	—	—	—
\$50,000 under \$100,000	2,054,311	261,175	1,793,136	—	—
\$100,000 under \$200,000	418,665	8,099	85,052	325,514	—
\$200,000 or more	129,310	872	3,081	31,696	93,661
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	71,135,419	71,063,281	71,105	927	106
\$50,000 under \$100,000	1,831,251	—	1,810,164	20,818	265
\$100,000 under \$200,000	341,195	—	—	335,465	5,730
\$200,000 or more	87,556	—	—	—	87,556
<b>Part III—Returns With No Total Income Tax</b>					
<b>Total.....</b>	<b>19,298,881</b>	<b>19,289,540</b>	<b>8,609</b>	<b>662</b>	<b>70</b>
<b>Size of expanded income</b>					
Under \$50,000	19,288,427	19,287,354	1,071	—	—
\$50,000 under \$100,000	9,450	2,132	7,291	*23	—
\$100,000 under \$200,000	890	9	*247	627	—
\$200,000 or more	114	45	—	*12	5
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	19,286,476	19,286,476	—	—	—
\$50,000 under \$100,000	11,343	2,997	8,346	—	—
\$100,000 under \$200,000	935	22	*263	650	—
\$200,000 or more	127	45	—	*12	7
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	19,290,735	19,289,540	1,192	—	—
\$50,000 under \$100,000	7,444	—	7,417	*23	—
\$100,000 under \$200,000	646	—	—	639	—
\$200,000 or more	56	—	—	—	5

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



**Table B.2 — Returns With and Without Total Income Tax and With Income \$200,000 or more Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status**

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

Item	All returns			Returns with adjusted gross income \$200,000 or more			Returns with no total income tax*			All returns			Returns with expanded income \$200,000 or more			Returns with no total income tax*				
	Number of returns (11)	Amount (12)	Number of returns (13)	Amount (14)	Number of returns (15)	Amount (16)	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)		
																			Number of returns	Amount
Salaries and wages	74,665	13,512,145	74,618	13,500,446	47	11,899	93,978	14,840,857	93,924	14,829,071	54	11,796								
Business and profession	16,053	2,367,947	16,034	2,384,195	19	3,753	21,418	2,657,823	21,398	2,653,819	20	4,004								
Net profit	8,184	4,306,648	8,178	4,300,606	6	1,930	11,930	683,445	11,917	679,784	13	3,681								
Net loss	3,017	186,420	3,014	186,301	3	119	4,127	238,360	4,123	238,219	4	141								
Farm	6,320	319,853	6,313	318,410	7	1,443	8,825	439,857	8,821	438,448	4	1,409								
Partnership	30,023	3,288,537	30,010	3,285,605	13	2,932	36,825	3,547,298	36,805	3,543,731	20	3,527								
Net profit	29,657	1,815,586	29,641	1,813,693	16	1,893	40,721	2,687,488	40,686	2,685,259	35	2,229								
Net loss	12,490	1,199,694	12,484	1,198,131	6	563	14,401	1,276,384	14,393	1,275,563	8	831								
Small Business Corporation	6,796	358,889	6,788	358,646	6	244	9,277	472,391	9,255	470,330	2	2,060								
Net profit	61,561	8,267,745	61,534	8,267,139	27	606	89,676	10,606,165	89,602	10,591,531	74	14,633								
Net loss	16,402	37,593	16,388	37,554	14	39	16,548	37,680	16,536	37,647	12	33								
Sales of property other than capital assets	8,012	187,013	8,003	186,933	1	20	11,969	247,401	11,966	247,016	3	384								
Net gain	4,803	137,739	4,797	136,605	6	1,134	7,005,906	7,000,906	7,005,906	7,000,906	6	1,153								
Net loss	79,387	7,005,333	79,332	7,000,906	55	4,427	100,839	7,417,620	100,772	7,406,841	67	10,679								
Dividends in adjusted gross income	91,777	2,764,915	91,713	2,761,860	64	3,055	119,651	3,313,547	119,544	3,308,771	107	7,377								
Interest received	8,846	154,449	8,840	154,427	6	22	12,302	188,593	12,295	188,570	7	24								
Pensions and annuities in adjusted gross income	24,505	670,218	24,491	669,671	14	547	31,908	784,337	31,888	783,930	12	407								
Net income	17,751	291,469	17,729	291,609	22	360	24,099	402,503	24,048	401,303	51	1,199								
Net loss	12,139	697,100	12,131	697,055	8	45	16,083	820,429	16,074	820,337	9	92								
Royalty	1,766	48,694	1,766	48,694	1	120	2,326	66,229	2,325	66,108	1	120								
Estate or trust	14,792	650,407	14,787	649,969	5	438	18,862	701,755	18,851	701,173	11	562								
Net income	1,329	30,970	1,329	30,970	1	114	2,017	52,351	2,017	52,351	—	—								
Net loss	23,619	86,788	23,613	86,760	6	28	30,392	104,376	30,376	104,219	16	1,157								
State income tax refunds	203	10,591	203	10,591	—	—	357	13,631	357	13,631	—	—								
Alimony received	17,392	291,113	17,376	290,196	16	917	22,655	396,915	22,624	397,544	31	1,371								
Other income	3,695	223,889	3,695	223,809	1	80	5,648	415,796	5,630	408,953	18	843								
Total deduction adjustments	32,909	707,421	32,879	707,036	30	384	41,662	381,657	41,618	380,977	44	679								
Expanded income	93,730	49,074,392	93,661	49,054,096	69	20,397	122,231	56,972,859	122,117	56,932,102	114	40,756								
Adjusted gross income plus excluded tax preferences	93,731	50,542,570	93,661	50,518,579	70	23,991	122,231	58,448,995	122,117	58,406,650	114	42,345								
Adjusted gross income less investment interest	93,730	35,915,715	93,661	35,895,762	69	19,955	122,226	39,804,108	122,116	39,762,657	110	15,051								
Investment interest per adjusted gross income concept	69,985	1,441,981	69,942	1,438,417	41	3,565	89,890	1,454,656	89,846	1,452,089	44	1,567								
Investment interest per alternative income concept	69,985	1,441,981	69,944	1,441,417	41	3,565	89,935	1,476,137	89,891	1,474,548	44	1,589								
Tax preferences excluded from adjusted gross income	87,649	13,184,874	87,598	13,184,400	51	474	116,395	17,190,231	116,230	17,164,504	95	25,727								
Total	59,243	11,694,269	59,222	11,692,460	21	408	87,278	15,031,646	87,208	15,031,759	70	19,887								
Excluded long term capital gains	81,099	13,316	81,049	13,308	50	8	103,268	16,914	103,592	16,904	10									
Dividend exclusion	20,803	1,518,192	20,800	1,518,135	3	57	30,494	2,227,378	30,479	2,220,482	15	6,896								

\* includes all of table

Table 8.2 — Returns With and Without Total Income Tax and With Income \$200,000 or more Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued

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

Item	Returns with adjusted gross income \$200,000 or more				Returns with expanded income \$200,000 or more				Returns with no total income tax			
	All returns		Returns with total income tax		Returns with no total income tax		All returns		Returns with total income tax			
	Number of returns (1)	Amount (2)	Number of returns (3)	Amount (4)	Number of returns (5)	Amount (6)	Number of returns (7)	Amount (8)	Number of returns (9)	Amount (10)	Number of returns (11)	Amount (12)
Adjusted gross income	93,731	37,357,696	93,661	37,334,178	70	23,517	122,231	41,258,764	122,117	41,242,146	114	16,618
Exemption amount	93,731	326,551	93,661	326,342	70	209	122,231	421,254	122,117	420,920	114	334
Itemized deductions	92,139	7,524,032	92,085	7,511,074	54	12,958	118,626	8,177,010	118,569	8,167,934	57	9,075
Total per adjusted gross income concept	92,139	7,524,032	92,085	7,511,074	54	12,958	118,626	8,177,010	118,569	8,167,934	57	9,075
Total per alternative income concept	90,004	2,339,158	89,956	2,338,248	48	910	115,367	2,515,349	115,336	2,514,624	51	7,255
Contributions deduction												
Interest paid deduction												
Total per adjusted gross income concept	77,777	1,931,208	77,731	1,925,164	46	6,045	99,835	2,007,351	99,786	2,003,866	49	3,485
Total per alternative income concept	77,777	1,931,208	77,731	1,925,164	46	6,045	99,835	2,007,351	99,786	2,003,866	49	3,485
Home mortgage interest	48,358	307,075	48,329	306,723	29	352	62,391	385,028	62,349	384,656	42	372
Investment interest—exceeding investment income per adjusted gross income concept	10,329	180,829	10,310	178,722	19	2,108	166,295	164,771	10,046	164,771	11	1,524
Investment interest—exceeding investment income per alternative income concept	10,329	180,829	10,310	178,722	19	2,108	166,295	164,771	10,046	164,771	11	1,524
Medical and dental expense deduction	45,660	72,888	45,634	72,482	26	406	61,250	144,907	61,214	143,404	10	1,503
Net casualty or theft loss deduction	12,807	65,781	12,797	65,875	10	2,901	15,449	82,553	15,442	80,334	36	2,900
Taxes paid deduction	92,014	2,682,809	91,963	2,561,733	51	1,158	118,498	2,860,395	118,445	2,859,587	54	809
Miscellaneous deductions	75,574	5,670,077	75,534	5,466,568	40	1,538	97,095	614,744	97,052	613,195	43	1,549
Excess itemized deductions	92,115	7,223,078	92,061	7,210,293	54	12,785	118,602	7,790,674	118,545	7,781,772	57	8,902
Zero bracket amount (statutory)	93,731	306,094	93,661	305,870	70	224	122,231	397,866	122,117	397,527	114	339
Excess of exemptions and deductions over adjusted gross income	351	25,524	330	22,487	21	3,038	1,198	115,485	1,154	108,144	44	7,341
Taxable income	93,431	29,832,624	93,381	29,819,126	50	13,488	121,097	33,158,687	121,023	33,143,988	74	14,599
As computed under current law	93,980	29,527,526	93,331	29,514,189	48	13,377	121,033	32,764,484	120,963	32,750,098	70	14,384
As computed under prior law	93,380	17,967,035	93,331	17,959,061	48	7,974	121,033	19,538,111	120,963	19,529,654	70	8,456
Tax at normal rates	77,170	1,585,344	77,130	1,584,012	40	1,332	97,948	1,718,563	97,909	1,717,236	38	1,307
Tax savings	93,381	16,401,082	93,332	16,394,440	49	6,642	121,052	17,843,646	120,962	17,836,727	70	7,119
Income tax before credits												
Tax credits												
Total	73,319	530,226	73,270	523,584	49	6,642	93,055	601,476	92,985	594,357	70	7,119
Foreign tax credit	12,157	127,338	12,115	121,206	42	6,132	14,845	132,960	14,795	126,027	50	6,573
Investment credit	51,022	319,736	51,012	319,654	10	82	66,426	379,237	66,403	376,038	23	1,119
Jobs credit	9,220	77,188	9,216	76,864	4	324	10,585	82,294	10,581	81,971	4	324
Minimum tax reported on Form 1040	5,759	94,436	5,759	94,436	—	—	12,057	172,183	12,057	172,183	—	—
Alternative minimum tax reported on Form 1040	7,271	300,121	7,271	300,121	—	—	17,046	536,341	17,046	536,341	—	—
Total income tax	93,661	16,265,413	93,661	16,265,413	—	—	122,117	17,950,895	122,117	17,950,895	—	—
Taxes paid to the U.S.												
Foreign taxes paid												
Taxable income which would yield income tax before credits	93,381	27,278,899	93,332	27,267,487	49	11,412	121,052	30,312,006	120,982	30,299,562	70	12,445
Income tax after credits	93,661	26,482,827	93,661	26,482,827	—	—	120,112	29,379,202	120,112	29,379,202	—	—
Total income tax	93,661	27,087,261	93,661	27,087,261	—	—	122,117	30,548,344	122,117	30,548,344	—	—

Footnote(s) at end of table

Table 8.2 — Returns With and Without Total Income Tax and With Income \$200,000 or more Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued

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

Item	All returns			Returns with adjusted gross income, plus excluded tax preferences \$200,000 or more			Returns with adjusted gross income less investment interest \$200,000 or more			Returns with no total income tax			All returns			Returns with total income tax			Returns with no total income tax					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)		
Salaries and wages	69,418	12,857,962	69,362	12,846,985	36	10,377	99,721	15,456,537	99,657	15,443,881	64	12,656												
Business and profession	15,105	2,327,985	15,089	2,324,322	16	3,583	22,741	2,739,085	22,719	2,734,925	22	4,159												
Net profit	7,431	400,367	7,427	400,341	4	26	12,948	716,684	12,928	712,977	15	3,617												
Farm	2,837	181,356	2,834	181,237	3	119	4,304	241,245	4,300	241,104	4	141												
Net loss	5,842	295,670	5,838	294,261	4	1,409	9,306	461,664	9,299	460,220	7	1,443												
Partnership	28,194	3,195,297	28,183	3,192,539	10	2,758	39,081	3,842,932	39,059	3,837,923	22	3,701												
Net loss	26,970	1,611,739	26,960	1,610,173	11	1,566	43,729	2,846,292	43,688	2,842,735	41	22,557												
Small Business Corporation	11,677	1,166,665	11,671	1,166,103	6	563	15,129	1,297,913	15,120	1,297,082	8	631												
Net profit	5,984	311,009	5,981	310,942	3	67	10,046	493,099	10,019	490,862	27	2,237												
Sales of capital assets	56,999	7,979,368	56,981	7,979,022	18	336	95,314	10,816,110	95,232	10,801,287	82	14,822												
Net gain	15,413	35,074	15,401	35,041	12	33	17,584	40,316	17,570	40,277	14	39												
Net loss	7,380	176,278	7,380	176,278	5	1,134	72,694	257,505	72,689	257,101	5	405												
Sales of property other than capital assets	4,351	122,828	4,348	121,694	5	1,334	7,215	210,754	7,208	209,601	7	1,153												
Net gain	73,937	6,614,204	73,896	6,611,569	41	2,634	106,689	7,744,233	106,589	7,732,031	80	12,202												
Dividends in adjusted gross income	85,783	2,569,638	85,733	2,567,759	50	1,879	126,680	3,473,959	126,560	3,465,452	120	8,508												
Interest received	8,418	147,300	8,413	147,278	5	22	12,753	195,073	12,746	195,050	7	24												
Pensions and annuities in adjusted gross income	22,843	634,918	22,834	634,642	9	276	33,668	818,186	33,651	817,507	17	679												
Net income	16,270	259,445	16,252	259,102	18	343	26,334	447,822	26,279	446,605	55	1,217												
Net loss	11,408	681,496	11,404	681,476	4	20	16,659	830,725	16,647	830,608	12	117												
Royalty	1,609	46,172	1,608	46,052	1	120	2,533	70,346	2,532	70,226	1	120												
Estate or trust	13,963	634,495	13,960	634,149	3	346	19,571	712,745	19,558	712,071	13	675												
Net income	1,222	29,677	1,222	29,677	—	—	2,164	53,418	2,163	53,304	1	114												
Net loss	21,692	80,189	21,689	80,173	3	16	32,532	110,480	32,513	110,311	19	1,169												
State income tax refunds	200	10,577	200	10,577	—	—	357	13,631	357	13,631	—	—												
Alimony received	15,981	269,540	15,970	268,644	11	896	24,102	350,235	24,067	348,844	35	1,391												
Other income	3,341	208,158	3,340	208,078	1	80	6,039	428,625	6,021	421,782	18	6,843												
Other loss	30,659	282,120	30,633	281,832	26	287	44,844	408,499	44,796	407,723	46	776												
Total statutory adjustments	87,612	47,603,331	87,556	47,584,783	56	18,548	129,436	56,256,628	129,310	56,214,300	126	42,328												
Expanded income	87,612	48,682,776	87,556	48,663,166	56	19,610	129,437	60,074,404	129,310	60,028,236	127	46,168												
Adjusted gross income plus excluded tax preferences	87,612	34,865,021	87,556	34,846,702	56	18,319	129,431	40,771,368	129,309	40,760,895	122	16,493												
Adjusted gross income less investment interest	63,866	1,060,229	63,839	1,059,188	27	1,041	97,096	1,786,359	97,039	1,782,549	57	3,810												
Investment interest per adjusted gross income concept	63,899	1,079,445	63,872	1,078,383	27	1,062	97,096	1,786,359	97,039	1,782,549	57	3,810												
Investment interest per alternative income concept	81,706	12,757,526	81,669	12,757,276	37	250	123,355	17,510,657	123,247	17,484,792	108	25,865												
Tax preferences excluded from adjusted gross income	54,876	11,352,571	54,862	11,352,327	14	244	92,726	15,307,632	92,650	15,287,666	76	19,966												
Total	75,671	12,406	75,634	12,400	37	6	109,793	17,896	109,717	17,884	12	12												
E-excluded long-term capital gains	19,239	1,432,854	19,239	1,432,854	—	—	—	2,293,418	—	2,293,418	—	—												
Dividend exclusion																								
All other																								

Footnotes at end of table

**Table 8.2.—Returns With and Without Total Income Tax and With Income \$200,000 or more Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued**

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

Item	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more				Returns with adjusted gross income less investment interest \$200,000 or more							
	All returns		Returns with total income tax		All returns		Returns with total income tax					
	Number of returns (13)	Amount (14)	Number of returns (15)	Amount (16)	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)				
Adjusted gross income	87,612	35,925,250	87,556	35,905,890	56	19,360	129,310	42,563,747				
Exemption amount	87,612	304,544	87,556	304,376	56	168	129,310	446,819				
Itemized deductions	86,020	6,861,256	85,980	6,853,066	40	8,190	125,832	8,766,660				
Total per adjusted gross income concept	86,020	6,861,256	85,980	6,853,066	40	8,190	125,832	8,766,660				
Total per alternative income concept	84,067	2,262,301	84,033	2,261,670	34	631	122,368	2,582,973				
Contributions deduction												
Interest paid deduction												
Total per adjusted gross income concept	71,658	1,493,118	71,626	1,490,203	32	2,915	107,041	2,404,588				
Total per alternative income concept	71,658	1,493,118	71,626	1,490,203	32	2,915	107,041	2,404,588				
Home mortgage interest	44,728	280,618	44,703	280,289	25	67	67,128	416,313				
Investment interest exceeding investment income per												
adjusted gross income concept	9,138	151,018	9,127	149,494	11	1,524	11,461	197,924				
investment interest exceeding investment income per												
alternative income concept	87,612	1,301,350	87,556	1,298,222	56	3,129	11,480	200,031				
Medical and dental expense deduction	42,671	68,794	42,652	68,533	19	261	64,752	98,944				
Net casualty or theft loss deduction	11,746	61,703	11,728	59,485	7	2,218	16,008	88,919				
Taxable deduction	85,906	2,463,794	85,863	2,463,102	37	691	125,702	2,951,306				
Miscellaneous deductions	70,398	510,079	70,310	510,079	28	1,473	103,330	640,030				
Excess itemized deductions	85,996	6,580,475	85,956	6,572,413	40	8,062	125,808	8,356,649				
Zero bracket amount (statutory)	87,612	285,921	87,556	285,742	56	179	129,437	421,542				
Excess of exemptions and deductions over adjusted gross income	117	5,531	106	3,698	11	1,833	1,543	135,767				
Taxable income	87,524	29,045,478	87,476	29,032,546	46	12,933	128,019	33,890,944				
As computed under current law	87,495	28,759,870	87,450	28,747,085	45	12,785	127,894	33,474,163				
As computed under prior law	87,495	17,583,658	87,450	17,575,957	45	7,702	127,894	19,863,434				
Tax at normal rates	87,495	1,559,395	87,450	1,558,069	38	1,326	102,446	1,740,522				
Tax savings	87,495	16,024,263	87,450	16,036,484	45	6,375	127,914	18,156,547				
Income tax before credits	87,495	16,024,263	87,450	16,036,484	45	6,375	127,914	18,156,547				
Tax credits	68,597	511,131	68,552	504,756	45	6,375	98,645	619,158				
Total	11,608	125,536	11,568	119,671	38	5,865	15,531	133,849				
Foreign tax credit	47,697	306,097	47,687	306,014	10	82	70,367	392,420				
Investment credit	8,706	73,891	8,702	73,568	4	324	11,303	84,717				
Jobs credit												
Minimum tax reported on Form 1040	4,927	85,690	4,927	85,690								
Alternative minimum tax reported on Form 1040	5,963	259,762	5,963	259,762								
Total income tax	87,556	15,877,180	87,556	15,877,180			129,310	18,275,923				
Taxes paid to the U.S.												
Foreign taxes paid												
Taxable income which would yield income tax before credits	87,495	26,549,646	87,450	26,538,778	45	10,868	127,914	30,968,458				
Income tax after credits	87,341	25,788,314	87,341	25,788,314			126,756	30,020,076				
Total income tax	87,556	26,302,314	87,556	26,302,314			129,310	31,260,334				
Number of returns	(13)		(15)		(17)		(19)		(21)	(22)	(23)	(24)

\* Estimate should be used with caution because of the small number of sample returns on which it is based  
 † Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals  
 NOTE: Detail may not add to total because of rounding

8.3 — Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

Figures are estimates based on samples

Table with 11 columns: Item with second largest tax effect, Total, Interest paid deduction, Taxes paid deduction, Contributions deduction, Medical and dental expense deduction. Includes sub-sections like 'Returns With Total Income Tax' and 'Returns With No Total Income Tax'.

(\*) at end of table

Table 8.3 — Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect — Continued

[All figures are estimates based on samples]

Item with second largest tax effect	Item with the largest tax effect—Continued									
	Net casualty or theft loss deduction		Miscellaneous deductions		Foreign tax credit		Investment credit		Jobs credit	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Returns With Total Income Tax</b>										
<b>Returns with adjusted gross income \$200,000 or more</b>										
Total.....	459	4	2,616	2.7	1,177	1.2	4,648	4.9	1,326	1.4
Interest paid deduction	108	23.5	542	20.7	435	36.9	894	19.2	274	20.6
Taxes paid deduction	199	43.3	1,304	49.8	372	31.6	1,818	39.1	470	35.4
Contributions deduction	81	17.6	509	19.4	86	7.3	737	15.8	148	11.1
Medical and dental expense deduction	—	—	75	2.8	—	—	8	—	—	—
Net casualty or theft loss deduction	—	—	3	—	—	—	9	—	—	—
Miscellaneous deductions	*27	5.8	*19	—	—	9.6	119	2.5	—	—
Foreign tax credit	—	—	*7	—	—	—	34	—	—	—
Investment credit	*39	8.5	147	5.6	53	4.5	—	—	334	25.1
Jobs credit	—	—	*8	—	3	0.2	429	9.2	—	—
No second largest item	—	—	*9	—	96	8.1	600	12.9	82	6.1
<b>Returns with expanded income \$200,000 or more</b>										
Total.....	860	7	10,553	8.6	721	5	7,451	6.1	2,023	1.6
Interest paid deduction	215	25.0	2,413	22.8	122	16.9	1,709	22.9	454	22.4
Taxes paid deduction	207	24.0	2,756	26.1	189	26.2	2,347	31.5	467	23.0
Contributions deduction	306	35.5	4,087	38.7	112	15.5	2,121	28.4	522	25.8
Medical and dental expense deduction	—	—	368	3.4	—	—	67	—	—	—
Net casualty or theft loss deduction	—	—	51	—	7	—	73	—	—	—
Miscellaneous deductions	82	9.5	—	—	229	31.7	608	8.1	61	3.0
Foreign tax credit	—	—	150	1.4	—	—	13	—	*27	1.3
Investment credit	*31	3.6	519	4.9	12	1.6	—	—	283	13.9
Jobs credit	*18	2.0	78	—	*19	2.6	330	4.4	—	—
No second largest item	—	—	131	1.2	*31	4.3	183	2.4	208	10.2
<b>Returns with adjusted gross income plus excluded tax preferences \$200,000 or more</b>										
Total.....	665	5	3,648	2.8	1,390	1.0	7,628	5.9	1,709	1.3
Interest paid deduction	217	32.6	802	21.9	480	34.5	1,855	24.3	327	19.1
Taxes paid deduction	253	38.0	1,858	50.9	473	34.0	2,643	34.6	578	33.8
Contributions deduction	81	12.1	677	18.5	150	10.7	1,185	15.5	185	10.8
Medical and dental expense deduction	*4	—	112	3.0	—	—	28	—	—	—
Net casualty or theft loss deduction	—	—	*13	—	—	—	9	—	—	—
Miscellaneous deductions	*27	4.0	—	—	113	8.1	155	2.0	*17	9
Foreign tax credit	—	—	*19	—	—	—	56	—	—	—
Investment credit	*43	6.4	150	4.1	55	3.9	—	—	350	20.4
Jobs credit	*40	6.0	*8	—	*15	1.0	597	7.8	—	—
No second largest item	—	—	*9	—	97	6.9	1,100	14.4	251	14.6
<b>Returns with adjusted gross income less investment interest \$200,000 or more</b>										
Total.....	1,276	1.4	17,426	19.9	892	1.0	8,467	9.6	2,358	2.6
Interest paid deduction	232	18.1	3,936	22.5	161	18.0	1,384	16.3	429	18.1
Taxes paid deduction	96	7.5	1,081	6.2	75	8.4	924	10.9	194	8.2
Contributions deduction	428	33.5	4,806	27.5	238	26.6	2,423	28.6	482	20.4
Medical and dental expense deduction	*44	3.4	2,124	12.1	44	4.9	691	8.1	110	4.6
Net casualty or theft loss deduction	—	—	610	3.5	—	—	154	1.8	*31	1.3
Miscellaneous deductions	316	24.7	—	—	*11	1.2	1,756	20.7	412	17.4
Foreign tax credit	*12	—	630	3.6	260	29.1	—	—	171	7.2
Investment credit	65	5.0	1,886	10.8	68	7.6	—	—	224	9.5
Jobs credit	77	6.0	1,483	8.5	*16	1.7	602	7.1	491	20.8
No second largest item	*6	—	870	4.9	*19	2.1	362	4.2	185	7.8
<b>Returns With No Total Income Tax</b>										
<b>Returns with adjusted gross income \$200,000 or more</b>										
Total.....	8	11.4	3	4.2	39	55.7	—	—	5	7.1
Interest paid deduction	4	50.0	—	—	20	51.2	—	—	—	—
Taxes paid deduction	—	—	—	—	—	—	—	—	—	—
Contributions deduction	—	—	—	—	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	3	60.0
No second largest item	—	—	—	—	15	38.4	—	—	—	—
<b>Returns with expanded income \$200,000 or more</b>										
Total.....	—	—	1	8	3	2.6	4	3.5	—	—
Interest paid deduction	—	—	—	—	—	—	—	—	—	—
Taxes paid deduction	—	—	—	—	—	—	—	—	25.0	—
Contributions deduction	—	—	—	—	—	—	—	—	50.0	—
Medical and dental expense deduction	—	—	—	100.0	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	33.3	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	—	—	—	—	—	—	25.0	—
<b>Returns with adjusted gross income plus excluded tax preferences \$200,000 or more</b>										
Total.....	8	6.3	3	2.3	50	39.3	*12	9.4	5	3.9
Interest paid deduction	4	50.0	—	—	20	40.0	—	—	1	20.0
Taxes paid deduction	2	25.0	—	—	3	6.0	*12	100.0	—	—
Contributions deduction	2	25.0	—	—	1	2.0	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	—	—	26	52.0	—	—	3	60.0
<b>Returns with adjusted gross income less investment interest \$200,000 or more</b>										
Total.....	—	—	12	21.4	—	—	2	3.5	—	—
Interest paid deduction	—	—	1	8.3	—	—	—	—	—	—
Taxes paid deduction	—	—	7	58.3	—	—	—	—	50.0	—
Contributions deduction	—	—	3	25.0	—	—	—	—	50.0	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	—	—	—	—	—	—	—	—

\* Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
 † Estimate should be used with caution because of the small number of sample returns on which it is based.  
 ‡ Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zero.

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

**Table 8.4 — Returns With No Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Itemized Deductions as a Percent of Income**

[All figures are estimates based on samples]

Type of deduction or credit	Returns with adjusted gross income \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	70	16	13	6	†	3	3	†	†	†	23
Interest paid deduction											
Total	70	24	21	6	5	3	—	†	†	†	8
Investment interest per income concept	70	29	23	†	4	3	—	†	†	†	4
Investment interest exceeding investment income per concept	70	51	11	3	†	†	—	—	†	—	†
Taxes paid deduction	70	19	43	5	†	—	—	—	—	—	†
Contributions deduction	70	22	41	†	†	†	—	3	—	—	—
Medical and dental expense deduction	70	44	24	—	—	—	—	—	†	†	—
Net casualty or theft loss deduction	70	60	†	—	—	—	—	—	—	—	†
Miscellaneous deductions	70	30	34	3	—	—	—	—	—	—	3
Deduction equivalent of											
Total credits	70	21	†	—	†	†	†	4	†	20	16
Foreign tax credit	70	28	—	†	†	†	†	3	†	17	15
Investment credit	70	60	†	—	—	—	—	—	—	—	†
Jobs credit	70	66	—	—	—	—	—	†	†	†	—
Tax preferences excluded from adjusted gross income	70	19	46	3	†	†	—	—	—	—	—

Type of deduction or credit	Returns with expanded income \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	114	59	30	3	2	2	2	2	1	—	13
Interest paid deduction											
Total	114	70	37	3	2	—	—	—	—	—	2
Investment interest per income concept	114	72	34	2	1	1	1	1	—	—	2
Investment interest exceeding investment income per concept	114	103	8	1	—	—	—	—	—	—	2
Taxes paid deduction	114	62	46	5	—	—	—	—	—	—	1
Contributions deduction	114	64	43	3	1	—	2	1	—	—	—
Medical and dental expense deduction	114	80	33	—	—	—	—	—	—	—	1
Net casualty or theft loss deduction	114	107	1	—	—	—	—	—	—	—	6
Miscellaneous deductions	114	73	34	3	1	—	—	—	—	1	2
Deduction equivalent of											
Total credits	114	44	15	—	1	14	—	2	2	19	17
Foreign tax credit	114	64	—	1	—	14	—	3	—	16	16
Investment credit	114	91	22	—	—	1	—	—	—	—	—
Jobs credit	114	110	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income	114	19	36	—	1	1	—	11	—	—	46

Type of deduction or credit	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Total itemized deductions	127	57	26	8	2	3	3	1	3	1	23
Interest paid deduction											
Total	127	65	34	8	5	3	1	2	1	—	8
Investment interest per income concept	127	70	37	3	4	3	3	3	1	2	3
Investment interest exceeding investment income per concept	127	111	8	3	1	1	—	—	2	—	1
Taxes paid deduction	127	60	60	4	1	—	—	—	—	—	2
Contributions deduction	127	63	57	2	1	2	2	—	—	—	—
Medical and dental expense deduction	127	85	40	—	—	—	—	—	1	1	—
Net casualty or theft loss deduction	127	117	2	—	—	—	—	—	—	1	7
Miscellaneous deductions	127	73	47	4	—	—	—	—	—	1	2
Deduction equivalent of											
Total credits	127	54	15	1	1	13	2	4	2	19	16
Foreign tax credit	127	74	—	2	—	13	2	4	1	16	15
Investment credit	127	104	22	—	—	1	—	—	—	—	—
Jobs credit	127	123	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income	127	19	47	2	2	—	—	11	—	—	46

Type of deduction or credit	Returns with adjusted gross income less investment interest \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
Total itemized deductions	56	18	15	3	2	1	1	2	1	—	13
Interest paid deduction											
Total	56	28	21	3	2	—	—	—	—	—	2
Investment interest per income concept	56	31	19	2	1	1	1	1	—	—	—
Investment interest exceeding investment income per concept	56	45	8	1	—	—	—	—	—	—	2
Taxes paid deduction	56	21	30	4	—	—	—	—	—	—	1
Contributions deduction	56	23	28	1	1	—	1	2	—	—	—
Medical and dental expense deduction	56	39	16	—	—	—	—	—	—	—	1
Net casualty or theft loss deduction	56	49	1	—	—	—	—	—	—	—	6
Miscellaneous deductions	56	30	20	3	—	—	—	—	—	—	3
Deduction equivalent of											
Total credits	56	11	2	—	1	2	—	2	2	18	18
Foreign tax credit	56	18	—	1	—	2	—	3	—	15	17
Investment credit	56	46	9	—	—	1	—	—	—	—	—
Jobs credit	56	52	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income	56	19	35	1	—	1	—	—	—	—	—

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
 \* Estimate should be used with caution because of the small number of sample returns on which it is based.

Table 8.5 — Returns With and Without Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income					Size of expanded income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns</b> .....	<b>92,694,302</b>	<b>90,352,821</b>	<b>1,889,878</b>	<b>357,872</b>	<b>93,731</b>	<b>92,694,302</b>	<b>90,158,807</b>	<b>2,008,182</b>	<b>405,082</b>	<b>122,231</b>
Returns with no total income tax										
Number of returns	19,298,881	19,289,540	8,609	662	70	19,298,881	19,288,427	9,450	890	114
Percent of total	20.8	21.3	5	2	1	20.8	21.4	5	2	1
Returns with total income tax										
Number of returns	73,395,421	71,063,281	1,881,269	357,210	93,661	73,395,421	70,870,380	1,998,732	404,192	122,117
Percent of total	79.2	78.7	99.5	99.8	99.9	79.2	78.6	99.5	99.8	99.9
Effective tax rate										
Under 5 percent										
Number of returns	12,207,356	12,178,659	23,806	4,362	529	12,366,899	12,320,083	41,586	4,616	604
Percent of total	13.2	13.5	1.3	1.2	6	13.3	13.7	2.1	1.1	5
5 under 10 percent										
Number of returns	20,493,482	20,446,994	39,747	5,649	1,092	20,650,095	20,533,670	102,962	11,496	1,967
Percent of total	22.1	22.6	2.1	1.6	1.2	22.3	22.8	5.1	2.8	1.6
10 under 15 percent										
Number of returns	25,010,312	24,908,761	92,422	7,867	1,262	24,936,342	24,731,295	166,787	33,544	4,716
Percent of total	27.0	27.6	4.9	2.2	1.3	26.9	27.4	8.3	8.3	3.9
15 under 20 percent										
Number of returns	11,327,346	11,008,785	304,783	11,417	2,361	11,279,505	10,882,539	351,179	30,908	14,879
Percent of total	12.2	12.2	16.1	3.2	2.5	12.2	12.1	17.5	7.6	12.2
20 under 25 percent										
Number of returns	2,880,827	2,245,697	610,906	21,470	2,754	2,810,714	2,157,457	600,898	36,866	15,493
Percent of total	3.1	2.5	32.3	6.0	2.9	3.0	2.4	29.9	9.1	12.7
25 under 30 percent										
Number of returns	807,000	232,757	519,866	50,168	4,209	779,360	214,200	491,250	61,818	12,092
Percent of total	9	3	27.5	14.0	4.5	8	2	24.5	15.3	9.9
30 under 35 percent										
Number of returns	359,087	31,420	222,710	96,657	8,300	331,186	25,346	194,003	97,633	14,204
Percent of total	4	—	11.8	27.0	8.9	4	—	9.7	24.1	11.6
35 under 40 percent										
Number of returns	171,195	2,126	53,164	99,309	16,596	150,073	1,640	42,366	86,956	19,111
Percent of total	2	—	2.8	27.7	17.7	2	—	2.1	21.5	15.6
40 under 45 percent										
Number of returns	77,313	328	9,699	44,199	23,087	58,337	*166	5,493	31,479	21,199
Percent of total	1	—	5	12.4	24.6	1	—	3	7.8	17.3
45 under 50 percent										
Number of returns	31,261	799	1,707	11,987	16,768	19,806	*716	1,156	6,889	11,045
Percent of total	—	—	1	3.3	17.9	—	—	1	1.7	9.0
50 under 60 percent										
Number of returns	21,127	1,913	1,596	3,679	13,939	10,555	*1,463	*903	1,970	6,219
Percent of total	—	—	1	1.0	14.9	—	—	—	5	5.1
60 under 70 percent										
Number of returns	3,605	532	276	251	2,546	693	*29	*75	*14	575
Percent of total	—	—	—	1	2.7	—	—	—	—	5
70 under 80 percent										
Number of returns	686	358	*134	64	130	*84	1	*68	3	*12
Percent of total	—	—	—	—	1	—	—	—	—	—
80 percent or more										
Number of returns	4,824	4,152	453	131	88	1,782	1,775	6	—	1
Percent of total	—	—	—	—	1	—	—	—	—	—

Footnote(s) at end of table



**Table 8.5 — Returns With and Without Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts — Continued**

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income plus excluded tax preferences					Size of adjusted gross income less investment interest				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All returns</b> .....	<b>92,694,302</b>	<b>90,079,611</b>	<b>2,065,654</b>	<b>419,600</b>	<b>129,437</b>	<b>92,694,302</b>	<b>90,426,154</b>	<b>1,838,695</b>	<b>341,841</b>	<b>87,612</b>
<b>Returns with no total income tax</b>										
Number of returns	19,298,881	19,286,476	11,343	935	127	19,298,881	19,290,735	7,444	646	56
Percent of total	20.8	21.4	5	2	1	20.8	21.3	4	2	1
<b>Returns with total income tax</b>										
Number of returns	73,395,421	70,793,135	2,054,311	418,665	129,310	73,395,421	71,135,419	1,831,251	341,195	87,556
Percent of total	79.2	78.6	99.5	99.8	99.9	79.2	78.7	99.6	99.8	99.9
<b>Effective tax rate</b>										
<b>Under 5 percent</b>										
Number of returns	12,406,685	12,345,903	52,799	6,942	1,041	12,172,231	12,150,386	18,473	3,082	290
Percent of total	13.4	13.7	2.6	1.7	.8	13.1	13.4	1.0	.9	.3
<b>5 under 10 percent</b>										
Number of returns	20,749,953	20,616,522	113,725	16,058	3,648	20,393,954	20,355,491	34,115	3,849	499
Percent of total	22.4	22.9	5.5	3.8	2.8	22.0	22.5	1.9	1.1	.6
<b>10 under 15 percent</b>										
Number of returns	24,989,463	24,765,328	181,588	35,517	7,030	24,945,396	24,863,807	75,383	5,536	670
Percent of total	27.0	27.5	8.8	8.5	5.4	26.9	27.5	4.1	1.6	.8
<b>15 under 20 percent</b>										
Number of returns	11,191,614	10,756,086	386,369	32,833	16,326	11,412,284	11,134,492	267,572	6,728	1,492
Percent of total	12.1	11.9	18.7	7.8	12.6	12.3	12.3	14.6	2.6	1.7
<b>20 under 25 percent</b>										
Number of returns	2,760,943	2,079,967	622,688	42,579	15,709	2,934,230	2,337,660	578,446	16,218	1,906
Percent of total	3.0	2.3	30.1	10.1	12.1	3.2	2.6	31.5	4.7	2.2
<b>25 under 30 percent</b>										
Number of returns	753,467	199,703	472,784	67,543	13,437	828,023	248,291	535,692	41,001	3,039
Percent of total	.8	.2	22.9	16.1	10.4	.9	.3	29.1	12.0	3.5
<b>30 under 35 percent</b>										
Number of returns	317,558	24,639	178,976	98,552	15,391	373,341	33,262	244,279	89,388	6,412
Percent of total	.3	—	8.7	23.5	11.9	.4	—	13.3	26.1	7.3
<b>35 under 40 percent</b>										
Number of returns	141,582	923	38,196	82,312	20,151	183,101	1,985	62,290	104,762	14,064
Percent of total	.2	—	1.8	19.6	15.6	.2	—	3.4	30.6	16.1
<b>40 under 45 percent</b>										
Number of returns	53,524	*165	4,986	28,175	20,198	84,570	1,805	10,295	50,055	22,415
Percent of total	.1	—	.2	6.7	15.6	.1	—	.6	14.6	25.6
<b>45 under 50 percent</b>										
Number of returns	18,344	*708	1,155	6,342	10,139	33,990	907	1,771	13,557	17,755
Percent of total	—	—	.1	1.5	7.8	—	—	.1	4.0	20.3
<b>50 under 60 percent</b>										
Number of returns	9,882	*1,463	*902	1,811	5,706	24,183	2,006	1,973	4,401	15,803
Percent of total	—	—	—	.4	4.4	—	—	.1	1.3	18.0
<b>60 under 70 percent</b>										
Number of returns	602	1	*74	—	527	3,969	418	260	356	2,935
Percent of total	—	—	—	—	.4	—	—	—	.1	3.3
<b>70 under 80 percent</b>										
Number of returns	*75	1	*67	1	*6	676	228	234	67	147
Percent of total	—	—	—	—	—	—	—	—	—	.2
<b>80 percent or more</b>										
Number of returns	1,729	1,726	2	—	1	5,473	4,681	468	195	129
Percent of total	—	—	—	—	—	—	—	—	—	—

\* Estimate should be used with caution because of the small number of sample returns on which it is based  
 — Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zero  
 NOTE: Detail may not add to total because of rounding

**Table 8.6 — Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income**

[All figures are estimates based on samples]

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	(1) Number of returns	(2) Percent of total	(3) Cumulative percent of total	(4) Number of returns	(5) Percent of total	(6) Cumulative percent of total	(7) Number of returns	(8) Percent of total	(9) Cumulative percent of total	(10) Number of returns	(11) Percent of total	(12) Cumulative percent of total
<b>All returns</b> .....	93,731	100.0	—	122,231	100.0	—	129,437	100.0	—	87,612	100.0	—
Returns with no total income tax	70	99.9	100.0	114	99.9	100.0	127	99.9	100.0	56	99.9	100.0
Returns with total income tax	93,661	100.0	—	122,117	100.0	—	129,310	100.0	—	87,556	100.0	—
Ratio of taxable income to alternative income												
Under 5 percent	59	1	1	91	1	1	105	1	1	57	1	1
5 under 10 percent	128	1	2	170	2	2	219	2	2	95	1	2
10 under 15 percent	301	3	5	283	2	4	671	5	3	114	1	3
15 under 20 percent	605	6	12	778	6	11	1,472	11	8	269	3	6
20 under 25 percent	584	6	18	1,506	12	23	2,812	22	19	255	3	9
25 under 30 percent	630	7	25	2,863	23	47	4,331	33	41	352	4	13
30 under 35 percent	1,044	11	36	4,991	41	78	7,927	61	61	618	7	20
35 under 40 percent	1,497	16	52	7,533	61	107	12,299	95	231	958	11	31
40 under 45 percent	1,725	18	70	12,683	103	185	18,523	144	312	1,117	13	44
45 under 50 percent	2,065	22	92	16,322	133	337	22,617	175	494	1,519	17	61
50 under 60 percent	6,600	7.0	16.3	50,733	41.5	107.8	70,382	54.4	163.2	5,044	5.8	11.9
60 under 70 percent	15,925	16.9	33.2	120,895	98.1	171.1	162,617	124.7	461.6	12,482	14.3	26.1
70 under 80 percent	31,982	33.9	66.7	242,716	198.1	363.2	278,017	218.5	669.4	29,653	33.9	60.0
80 percent or more	31,208	33.3	100.0	16,710	13.7	100.0	15,032	11.6	100.0	35,023	40.0	100.0

\* 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 total because of rounding

Table 8.7 — Returns With and Without Modified Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
<b>Part I — All Returns</b>					
<b>Total</b> .....	<b>92,694,302</b>	<b>90,352,821</b>	<b>1,889,878</b>	<b>357,872</b>	<b>93,731</b>
<b>Size of expanded income</b>					
Under \$50,000	90,158,807	90,112,505	45,898	372	32
\$50,000 under \$100,000	2,008,182	231,859	1,765,339	10,828	156
\$100,000 under \$200,000	405,082	7,606	76,181	318,790	2,505
\$200,000 or more	122,231	851	2,460	27,882	91,038
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	90,079,611	90,079,611	—	—	—
\$50,000 under \$100,000	2,065,654	264,172	1,801,482	—	—
\$100,000 under \$200,000	419,600	8,121	85,315	326,164	—
\$200,000 or more	129,437	917	3,081	31,708	93,731
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	90,426,154	90,352,821	72,297	—	109
\$50,000 under \$100,000	1,838,695	—	1,817,581	20,841	273
\$100,000 under \$200,000	341,841	—	—	336,104	5,737
\$200,000 or more	87,612	—	—	—	87,612
<b>Part II — Returns With Modified Total Income Tax</b>					
<b>Total</b> .....	<b>73,438,012</b>	<b>71,102,604</b>	<b>1,884,069</b>	<b>357,636</b>	<b>93,703</b>
<b>Size of expanded income</b>					
Under \$50,000	70,909,646	70,864,417	44,827	372	30
\$50,000 under \$100,000	2,001,355	229,784	1,760,614	10,805	152
\$100,000 under \$200,000	404,844	7,597	76,168	318,578	2,501
\$200,000 or more	122,167	806	2,460	27,881	91,020
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	70,832,401	70,832,401	—	—	—
\$50,000 under \$100,000	2,056,934	261,232	1,795,702	—	—
\$100,000 under \$200,000	419,314	8,099	85,286	325,929	—
\$200,000 or more	129,363	872	3,081	31,707	93,703
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	71,174,742	71,102,604	71,105	927	106
\$50,000 under \$100,000	1,834,051	—	1,812,964	20,818	269
\$100,000 under \$200,000	341,625	—	—	335,891	5,734
\$200,000 or more	87,594	—	—	—	87,594
<b>Part III — Returns With No Modified Total Income Tax</b>					
<b>Total</b> .....	<b>19,256,290</b>	<b>19,250,217</b>	<b>5,809</b>	<b>236</b>	<b>28</b>
<b>Size of expanded income</b>					
Under \$50,000	19,249,161	19,248,088	1,071	—	2
\$50,000 under \$100,000	6,827	2,075	4,725	*23	4
\$100,000 under \$200,000	238	9	*13	212	4
\$200,000 or more	64	45	—	1	18
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	19,247,210	19,247,210	—	—	—
\$50,000 under \$100,000	8,720	2,940	5,780	—	—
\$100,000 under \$200,000	266	22	*29	235	—
\$200,000 or more	74	45	—	1	28
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	19,251,412	19,250,217	1,192	—	3
\$50,000 under \$100,000	4,644	—	4,617	*23	4
\$100,000 under \$200,000	216	—	—	213	3
\$200,000 or more	18	—	—	—	18

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

**Table 8.8 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status**

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

Item	All returns			Returns with adjusted gross income \$200,000 or more			Returns with expanded income \$200,000 or more			Returns with no modified total income tax		
	Number of returns (1)	Amount (2)	Number of returns (3)	Amount (4)	Number of returns (5)	Amount (6)	Number of returns (7)	Amount (8)	Number of returns (9)	Amount (10)	Number of returns (11)	Amount (12)
Salaries and wages	74,665	13,512,345	74,649	13,510,510	16	1,775	93,978	14,840,867	93,952	14,838,975	26	1,891
Business and profession	16,053	2,387,947	16,047	2,387,237	6	710	21,418	2,657,823	21,410	2,656,756	8	1,067
Net profit	8,184	430,648	8,179	430,608	5	40	11,930	683,445	11,918	679,787	12	3,659
Net loss	3,017	186,420	3,017	186,364	4	56	4,127	238,360	4,124	238,282	3	78
Farm	6,320	319,853	6,316	319,688	4	56	8,825	439,857	8,823	439,724	2	133
Partnership	30,023	3,286,537	30,017	3,287,414	6	1,124	36,825	3,547,258	36,811	3,545,513	14	1,745
Net profit	29,657	1,815,586	29,650	1,815,254	7	332	40,721	2,687,488	40,694	2,686,812	27	20,676
Net loss	12,490	1,199,694	12,485	1,199,293	5	400	14,401	1,276,394	14,384	1,275,725	7	669
Small Business Corporation	6,796	358,869	6,792	358,752	4	137	9,271	472,391	9,257	470,340	20	2,051
Sales or capital assets	61,561	8,267,745	61,546	8,267,439	15	306	89,676	10,606,165	89,623	10,593,179	53	12,986
Net gain	16,402	37,593	16,399	37,584	3	9	16,546	37,680	16,547	37,677	1	3
Net loss	8,012	187,013	8,012	186,993	20	20	11,969	247,401	11,966	247,016	3	384
Sales or property other than capital assets	4,803	137,739	4,800	137,511	3	228	6,873	197,950	6,869	197,703	4	248
Dividends in adjusted gross income	79,387	7,005,333	79,364	7,003,210	23	2,123	100,839	7,417,620	100,801	7,408,895	38	8,725
Interest received	91,777	2,764,915	91,751	2,762,845	26	2,070	119,651	3,313,547	119,590	3,307,106	61	6,441
Pensions and annuities in adjusted gross income	8,846	154,449	8,842	154,428	4	20	12,302	188,593	12,297	188,571	5	22
Rent	24,505	670,218	24,498	669,942	7	276	31,900	784,337	31,894	784,157	6	180
Net income	17,751	291,969	17,744	291,861	7	108	24,099	402,503	24,073	401,580	26	922
Royalty	12,139	697,100	12,135	697,061	4	39	16,083	820,429	16,078	820,343	5	86
Net income	1,766	48,694	1,766	48,694	—	—	2,326	66,229	2,326	66,229	—	—
Estate or trust	14,792	650,407	14,788	650,292	4	115	18,862	701,755	18,852	701,496	10	2,59
Net income	1,329	30,970	1,329	30,856	4	114	2,017	52,351	2,017	52,351	—	—
Net loss	23,619	86,748	23,614	86,773	5	15	30,392	104,376	30,377	104,231	15	1,45
State income tax refunds	203	10,591	203	10,591	—	—	357	13,631	357	13,631	—	—
Alimony received	17,382	291,113	17,382	290,383	10	730	22,655	338,915	22,629	337,727	26	1,188
Other income	3,695	223,889	3,695	223,889	—	—	5,648	415,796	5,631	409,033	17	6,783
Total statutory adjustments	32,909	307,342	32,902	307,342	7	79	41,662	381,657	41,640	381,256	401	401
Expanded income	93,730	49,074,492	93,703	49,068,089	27	6,404	122,231	56,972,859	122,167	56,948,958	64	23,901
Adjusted gross income plus excluded tax preferences	93,731	50,542,570	93,703	50,533,687	28	8,883	122,231	58,448,995	122,167	58,424,440	64	24,556
Adjusted gross income less investment interest	93,730	35,915,715	93,703	35,909,607	27	6,108	122,226	39,804,108	122,166	39,803,738	60	3,69
Investment interest per adjusted gross income concept	69,985	1,441,981	69,964	1,439,519	21	2,462	89,890	1,454,656	89,863	1,454,015	27	642
Investment interest per alternative income concept	69,985	1,441,981	69,964	1,439,519	21	2,462	89,935	1,476,137	89,908	1,475,482	27	655
Tax preferences excluded from adjusted gross income	87,649	13,184,874	87,626	13,184,561	23	313	116,325	17,190,231	116,266	17,166,687	59	23,545
Total	59,243	11,698,269	59,230	11,698,017	13	252	103,656	15,051,646	103,617	15,033,937	53	17,709
Excluded long-term capital gains	81,099	13,316	81,077	13,312	22	4	103,656	16,914	103,617	16,908	39	6
Dividend exclusion	20,800	1,518,192	20,800	1,518,195	3	57	30,494	2,227,378	30,479	2,220,482	15	6,896
All other	93,731	37,357,696	93,703	37,349,126	28	8,670	122,231	41,258,764	122,167	41,257,753	64	10,11
Adjusted gross income	93,731	326,551	93,703	326,468	28	83	122,231	421,254	122,167	421,071	64	183
Exemption amount												

Footnote(s) at end of table

**Table 8.8 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued**

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

Item	Returns with adjusted gross income \$200,000 or more				Returns with expanded income \$200,000 or more				Returns with no modified total income tax			
	All returns		Returns with modified total income tax		All returns		Returns with modified total income tax		Returns with no modified total income tax			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Itemized deductions</b>												
Total per adjusted gross income concept	92,139	7,524,032	92,112	7,513,578	27	10,455	118,626	8,177,010	118,593	8,170,195	33	6,815
Total per alternative income concept	92,139	7,524,032	92,112	7,513,578	27	10,455	118,619	8,170,873	118,586	8,169,713	33	6,160
Contributions deduction	90,004	2,339,158	89,980	2,338,691	24	468	115,387	2,515,349	115,357	2,515,051	30	298
Interest paid deduction	77,777	1,931,208	77,755	1,926,715	22	4,493	99,895	2,007,351	99,807	2,005,219	28	2,132
Total per adjusted gross income concept	77,777	1,931,208	77,755	1,926,715	22	4,493	64,398	531,214	64,372	529,737	26	1,477
Total per alternative income concept	77,777	1,931,208	77,755	1,926,715	22	4,493	64,398	531,214	64,372	529,737	26	1,477
Home mortgage interest	48,358	307,075	48,348	306,996	10	79	62,391	385,028	62,366	384,910	25	118
Investment interest exceeding investment income per adjusted gross income concept	10,329	180,829	10,318	178,898	11	1,931	10,057	166,295	10,053	164,943	4	1,352
Investment interest exceeding investment income per alternative income concept	10,329	180,829	10,318	178,898	11	1,931	8,950	144,907	8,947	143,568	3	1,339
Medical and dental expense deduction	45,660	72,888	45,648	72,495	12	393	61,250	96,618	61,227	96,341	23	277
Net casualty or theft loss deduction	12,807	69,781	12,798	66,863	9	2,898	15,449	82,553	15,442	80,334	7	2,218
Taxes paid deduction	92,014	2,562,890	91,989	2,561,967	25	904	118,499	2,860,395	118,468	2,859,824	31	572
Miscellaneous deductions	75,574	548,107	75,558	546,808	19	1,300	97,095	614,744	97,071	613,426	24	1,318
Excess itemized deductions	92,115	7,223,078	92,088	7,212,709	27	10,370	118,602	7,790,674	118,569	7,783,954	33	6,720
Zero bracket amount (statutory)	93,731	306,094	93,703	306,005	28	86	122,231	397,866	122,167	397,678	64	188
Excess of exemptions and deductions over adjusted gross income	351	25,524	330	22,487	21	3,038	1,198	115,485	1,154	108,144	44	7,341
<b>Taxable income</b>												
As computed under current law	93,431	29,832,624	93,423	29,831,532	8	1,092	121,037	33,158,567	121,073	33,157,262	24	1,325
As computed under prior law	93,380	29,527,526	93,373	29,526,459	7	1,067	121,033	32,764,484	121,013	32,763,223	20	1,261
Tax at normal rates	93,380	17,967,035	93,373	17,966,445	7	591	121,033	19,538,111	121,013	19,537,473	20	*638
Tax savings	77,170	1,585,344	77,165	1,585,235	5	109	97,948	1,718,563	97,942	1,718,444	6	120
Income tax before credits	93,381	16,401,082	93,374	16,400,600	7	482	121,052	17,843,846	121,032	17,843,328	20	*518
Tax credits	70,396	402,888	70,389	402,406	7	482	89,441	468,896	89,421	468,378	20	*518
Foreign tax credit	51,022	319,736	51,015	319,682	7	54	66,426	379,257	66,406	379,167	20	*90
Investment credit	9,220	77,188	9,216	76,864	4	324	10,585	82,294	10,581	81,971	4	324
Jobs credit	5,759	94,436	5,759	94,436	—	—	12,057	172,183	12,057	172,183	—	—
Minimum tax reported on Form 1040	7,271	300,121	7,271	300,121	—	—	17,046	536,341	17,046	536,341	—	—
Alternative minimum tax reported on Form 1040	93,703	16,392,751	93,703	16,392,751	—	—	122,167	18,083,475	122,167	18,083,475	—	—
Modified total income tax	12,157	127,338	12,157	127,338	—	—	14,845	132,580	14,845	132,580	—	—
Taxes paid to the U.S.	93,381	27,278,899	93,374	27,277,991	7	907	121,052	30,312,006	121,032	30,310,928	20	*1,079
Foreign taxes paid	93,178	26,676,146	93,178	26,676,146	—	—	120,277	29,581,949	120,277	29,581,949	—	—
Taxable income which would yield income tax before credits	93,703	27,279,162	93,703	27,279,162	—	—	122,167	30,749,145	122,167	30,749,145	—	—
Income tax after credits	93,703	27,279,162	93,703	27,279,162	—	—	122,167	30,749,145	122,167	30,749,145	—	—
Modified total income tax	93,703	27,279,162	93,703	27,279,162	—	—	122,167	30,749,145	122,167	30,749,145	—	—

Footnotes) at end of table

**Table 8.8 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued**

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

Item	All returns			Returns with adjusted gross income plus excluded tax preferences \$200,000 or more			Returns with adjusted gross income less investment interest \$200,000 or more			Returns with no modified total income tax		
	Number of returns (13)	Amount (14)	Number of returns (15)	Amount (16)	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)
Salaries and wages	69,418	12,957,962	69,409	12,856,827	9	1,135	99,721	15,456,537	99,688	15,454,005	33	2,532
Business and profession	15,105	2,327,905	15,100	2,327,245	5	660	22,741	2,739,085	22,732	2,737,957	9	1,117
Net profit	7,431	400,367	7,428	400,343	3	24	12,943	716,654	12,929	712,979	14	3,675
Farm	2,837	181,356	2,835	181,300	2	56	4,304	241,245	4,301	241,167	3	78
Partnership	5,842	295,670	5,840	295,537	2	133	9,306	461,664	9,302	461,499	4	164
Net profit	28,194	3,195,297	28,189	3,194,321	5	976	39,081	3,682,932	39,066	3,681,040	15	1,892
Net loss	26,970	1,611,739	26,968	1,611,726	2	13	43,729	2,846,292	43,697	2,825,296	32	20,995
Small Business Corporation	11,677	1,166,666	11,672	1,166,955	5	400	15,128	1,297,913	15,121	1,297,244	7	669
Net profit	5,984	311,009	5,983	310,952	1	57	10,046	493,099	10,023	490,969	23	2,130
Net loss	56,899	7,979,358	56,890	7,979,232	9	126	95,314	10,816,110	95,255	10,802,943	59	13,166
Sales of capital assets	15,413	35,074	15,412	35,071	1	3	17,584	40,316	17,581	40,307	3	9
Sales of property other than capital assets	7,980	176,278	7,980	176,278	3	228	12,894	257,505	12,889	257,101	5	405
Net gain	4,351	122,828	4,348	122,600	3	228	7,215	210,754	7,211	210,507	4	248
Net loss	73,937	6,614,204	73,924	6,613,254	13	950	106,669	7,744,233	106,621	7,734,336	46	9,698
Dividends in adjusted gross income	85,783	2,593,638	85,767	2,593,617	16	1,021	126,680	3,473,959	126,598	3,466,469	71	7,490
Interest received	8,418	147,300	8,414	147,279	4	20	12,753	195,073	12,748	195,051	5	22
Pensions and annuities in adjusted gross income	22,843	634,918	22,840	634,869	3	49	33,668	818,186	33,658	817,778	10	408
Rent	16,270	259,445	16,256	259,354	4	91	26,334	447,822	26,305	446,884	29	938
Net income	11,408	681,496	11,407	681,482	1	14	16,659	830,725	16,651	830,614	8	111
Royalty	1,609	46,172	1,609	46,172	—	—	2,533	70,346	2,533	70,346	—	—
Estate or trust	13,963	634,495	13,961	634,472	2	23	19,571	712,745	19,559	712,394	12	352
Net income	1,222	29,677	1,222	29,677	—	—	2,164	53,418	2,163	53,304	1	114
Net loss	21,592	80,189	21,690	80,186	2	3	32,532	110,480	32,514	110,324	18	1,157
State income tax refunds	200	10,577	200	10,577	—	—	357	13,631	357	13,631	—	—
Alimony received	15,981	269,540	15,974	268,826	7	714	24,102	350,235	24,073	349,031	29	1,204
Other income	3,341	208,158	3,341	208,158	—	—	6,039	428,625	6,022	421,862	17	6,763
Total statutory adjustments	30,659	282,120	30,655	282,111	4	9	44,844	408,499	44,819	408,028	25	471
Expanded income	87,612	47,603,331	87,594	47,597,963	4	5,368	129,436	58,256,628	129,363	58,231,691	73	24,937
Adjusted gross income plus excluded tax preferences	87,612	48,682,776	87,594	48,676,999	18	5,778	129,437	60,074,404	129,363	60,046,743	74	27,661
Adjusted gross income less investment interest	87,612	34,865,021	87,594	34,859,828	18	5,193	129,431	40,777,388	129,362	40,776,103	69	1,285
Investment interest per adjusted gross income concept	63,866	1,060,229	63,855	1,059,833	11	387	97,096	1,786,359	97,059	1,783,652	37	2,707
Investment interest per alternative income concept	63,899	1,079,445	63,888	1,079,035	11	410	97,096	1,786,359	97,059	1,783,652	37	2,707
Tax preferences excluded from adjusted gross income	81,706	12,757,526	81,693	12,757,338	13	188	123,355	17,510,657	123,286	17,486,988	69	23,669
Total	54,876	11,352,571	54,867	11,352,385	9	186	92,726	15,307,632	92,669	15,289,857	57	17,775
Excluded long-term capital gains	75,671	12,406	75,658	12,403	1	3	109,793	17,896	109,745	17,888	48	8
Dividend exclusion	19,239	1,432,854	19,239	1,432,854	—	—	32,296	2,293,418	32,278	2,286,466	18	6,853
All other	87,612	35,925,250	87,594	35,919,661	18	5,589	129,437	42,563,747	129,363	42,559,755	74	3,992
Adjusted gross income	87,612	304,544	87,594	304,489	18	55	129,437	447,189	129,363	446,978	74	211
Exemption amount												

Footnote(s) at end of table

**Table 8.8 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued**  
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns			Returns with adjusted gross income plus excluded tax preferences \$200,000 or more			Returns with no modified total income tax			Returns with modified total income tax			Returns with adjusted gross income less investment interest \$200,000 or more			Returns with no modified total income tax		
	Number of returns (13)	Amount (14)	Number of returns (15)	Amount (16)	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)		
Itemized deductions	86,020	6,861,256	86,003	6,854,958	17	6,298	125,832	8,766,660	125,789	8,755,688	43	10,972	125,782	8,755,688	43	10,972		
Total per adjusted gross income concept	86,020	6,861,256	86,003	6,854,958	17	6,298	125,832	8,766,660	125,789	8,755,688	43	10,972	125,782	8,755,688	43	10,972		
Total per alternative income concept	84,067	2,262,301	84,053	2,262,056	14	244	122,368	2,582,973	122,328	2,582,452	40	521	122,328	2,582,452	40	521		
Contributions deduction	71,658	1,493,118	71,646	1,491,273	12	1,845	107,041	2,404,588	107,003	2,399,808	38	4,780	107,003	2,399,808	38	4,780		
Interest paid deduction	71,658	1,493,118	71,646	1,491,273	12	1,845	107,041	2,404,588	107,003	2,399,808	38	4,780	107,003	2,399,808	38	4,780		
Total per alternative income concept	44,728	280,618	44,719	280,542	9	76	67,128	416,707	67,102	416,586	26	2,073	67,102	416,586	26	2,073		
Home mortgage interest	9,138	151,018	9,134	149,666	4	1,352	11,480	200,031	11,469	198,101	11	1,931	11,469	198,101	11	1,931		
Investment interest exceeding investment income per alternative income concept	87,612	1,301,350	87,594	1,298,638	18	2,712	11,480	200,031	11,469	198,101	11	1,931	11,469	198,101	11	1,931		
Medical and dental expense deduction	42,671	68,794	42,664	68,546	7	249	64,752	98,944	64,724	98,523	28	421	64,724	98,523	28	421		
Net casualty or theft loss deduction	11,746	61,703	11,739	59,485	7	2,218	16,408	88,819	16,399	85,921	9	2,898	16,399	85,921	9	2,898		
Taxes paid deduction	85,906	2,463,794	85,891	2,463,306	15	4,888	125,702	2,951,306	125,661	2,950,319	41	1,987	125,661	2,950,319	41	1,987		
Miscellaneous deductions	70,338	511,546	70,328	510,293	10	1,253	103,330	640,030	103,297	638,665	33	1,365	103,297	638,665	33	1,365		
Excess itemized deductions	85,996	6,574,231	85,979	6,574,231	17	6,244	125,808	8,356,649	125,765	8,345,803	43	10,846	125,765	8,345,803	43	10,846		
Zero bracket amount (statutory)	87,612	285,921	87,594	285,864	18	57	129,437	421,542	129,363	421,322	74	220	129,363	421,322	74	220		
Excess of exemptions and deductions over adjusted gross income	117	5,531	106	3,698	11	1,833	1,543	135,767	1,489	127,221	54	8,546	1,489	127,221	54	8,546		
Taxable income	87,522	29,045,478	87,514	29,044,386	8	1,092	128,019	33,890,944	127,995	33,889,619	24	1,325	127,995	33,889,619	24	1,325		
As computed under current law	87,495	28,759,870	87,488	28,759,803	7	1,067	127,894	33,474,163	127,874	33,472,902	20	1,261	127,874	33,472,902	20	1,261		
As computed under prior law	87,495	17,583,658	87,488	17,583,068	7	591	127,894	19,872,119	127,874	19,871,482	20	1,638	127,874	19,871,482	20	1,638		
Tax at normal rates	87,495	1,559,395	87,488	1,559,287	5	109	102,446	1,740,522	102,440	1,740,403	6	120	102,440	1,740,403	6	120		
Tax savings	87,495	16,042,859	87,488	16,042,377	7	482	127,914	18,156,547	127,894	18,156,029	20	518	127,894	18,156,029	20	518		
Income tax before credits	65,759	385,596	65,752	385,114	7	482	94,981	485,309	94,961	484,791	20	518	94,961	484,791	20	518		
Tax credits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Foreign tax credit	47,697	306,097	47,690	306,043	4	54	70,367	392,420	70,347	392,330	4	90	70,347	392,330	4	90		
Investment credit	8,706	73,891	8,702	73,568	4	324	11,303	85,040	11,299	84,717	4	324	11,299	84,717	4	324		
Jobs credit	4,927	85,690	4,927	85,690	—	—	13,168	178,472	13,168	178,472	—	—	13,168	178,472	—	—		
Minimum tax reported on Form 1040	5,963	259,762	5,963	259,762	—	—	18,683	560,062	18,683	560,062	—	—	18,683	560,062	—	—		
Alternative minimum tax* reported on Form 1040	87,594	16,002,715	87,594	16,002,715	—	—	129,363	18,409,772	129,363	18,409,772	—	—	129,363	18,409,772	—	—		
Modified total income tax	11,606	125,536	11,606	125,536	—	—	15,531	133,849	15,531	133,849	—	—	15,531	133,849	—	—		
Taxes paid to the US	87,495	26,549,646	87,488	26,548,739	7	907	127,914	30,988,458	127,894	30,987,379	20	1,079	127,894	30,987,379	20	1,079		
Foreign taxes paid	87,424	25,978,528	87,424	25,978,528	—	—	126,983	30,225,200	126,983	30,225,200	—	—	126,983	30,225,200	—	—		
Taxable income which would yield income tax before credits	87,594	26,491,161	87,594	26,491,161	—	—	129,363	19,123,235	129,363	19,123,235	—	—	129,363	19,123,235	—	—		
Income tax after credits	87,594	26,491,161	87,594	26,491,161	—	—	129,363	19,123,235	129,363	19,123,235	—	—	129,363	19,123,235	—	—		
Modified total income tax	87,594	26,491,161	87,594	26,491,161	—	—	129,363	19,123,235	129,363	19,123,235	—	—	129,363	19,123,235	—	—		

\* Data omitted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
 † 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 total because of rounding.

Table 8.9 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

[All figures are estimates based on samples]

Item with second largest tax effect	Item with the largest tax effect									
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Returns With Modified Total Income Tax</b>										
<b>Returns with adjusted gross income \$200,000 or more</b>										
Total .....	93,703	100.0	21,008	22.4	45,587	48.6	17,155	18.3	717	.7
Interest paid deduction ..	23,486	25.0	—	—	17,884	39.2	—	—	50	6.9
Taxes paid deduction ..	28,094	29.9	13,171	62.7	—	—	10,616	61.8	427	59.5
Contributions deduction ..	23,311	24.8	3,742	17.8	17,978	39.4	—	—	68	12.2
Medical and dental expense deduction ..	992	1.0	121	5	573	1.2	210	1.2	—	—
Net casualty or theft loss deduction ..	680	7	177	8	384	8	—	—	—	—
Miscellaneous deductions ..	8,221	8.7	1,455	6.9	5,077	11.1	1,391	8.1	135	18.8
Foreign tax credit ..	—	—	—	—	—	—	—	—	—	—
Investment credit ..	5,805	6.2	1,413	6.7	2,895	6.3	968	5.6	*7	9
Jobs credit ..	1,671	1.7	295	1.4	737	1.6	175	1.0	*10	1.3
No second largest item ..	1,443	1.5	634	3.0	59	.1	†	†	—	—
<b>Returns with expanded income \$200,000 or more</b>										
Total .....	122,167	100.0	*34,024	27.8	36,426	29.8	28,740	23.5	1,607	1.3
Interest paid deduction ..	21,557	17.6	—	—	7,078	19.4	9,279	32.2	281	17.4
Taxes paid deduction ..	16,459	13.4	5,280	15.5	—	—	4,813	16.7	442	27.5
Contributions deduction ..	34,791	28.4	15,003	44.1	12,086	33.1	—	—	330	20.5
Medical and dental expense deduction ..	3,351	2.7	397	1.1	1,041	2.8	1,451	5.0	—	—
Net casualty or theft loss deduction ..	1,624	1.3	383	1.1	707	1.9	400	1.3	2	.1
Miscellaneous deductions ..	24,642	20.1	5,655	16.6	9,907	27.2	7,965	27.7	347	21.5
Foreign tax credit ..	—	—	—	—	—	—	—	—	—	—
Investment credit ..	12,026	9.8	3,193	9.3	4,457	12.2	3,383	11.7	148	9.2
Jobs credit ..	2,836	2.3	636	1.8	826	2.2	936	3.2	*15	9
No second largest item ..	4,879	3.9	3,477	10.2	324	.8	513	1.7	42	2.6
<b>Returns with adjusted gross income plus excluded tax preferences \$200,000 or more</b>										
Total .....	129,363	100.0	32,952	25.4	59,201	45.7	22,104	17.0	1,267	.9
Interest paid deduction ..	32,149	24.8	—	—	23,880	40.3	4,925	22.2	97	7.6
Taxes paid deduction ..	39,610	30.6	20,124	61.0	—	—	13,335	60.3	730	57.6
Contributions deduction ..	30,234	23.3	5,634	17.1	22,274	37.6	—	—	170	13.4
Medical and dental expense deduction ..	1,622	1.2	196	.6	927	1.5	352	1.5	—	—
Net casualty or theft loss deduction ..	949	.7	316	.9	481	.8	129	.5	—	—
Miscellaneous deductions ..	11,453	8.8	2,426	7.3	6,852	11.5	1,721	7.7	253	19.9
Foreign tax credit ..	—	—	—	—	—	—	—	—	—	—
Investment credit ..	7,843	6.0	2,060	6.2	3,814	6.4	1,417	6.4	*7	5
Jobs credit ..	2,117	1.6	343	1.0	878	1.4	224	1.0	*10	7
No second largest item ..	3,386	2.6	1,849	5.6	95	.1	1	—	—	—
<b>Returns with adjusted gross income less investment interest \$200,000 or more</b>										
Total .....	87,594	100.0	19,189	21.9	10,961	12.5	25,407	29.0	2,085	2.3
Interest paid deduction ..	10,639	12.1	—	—	1,502	13.7	2,685	10.5	215	10.3
Taxes paid deduction ..	4,118	4.7	909	4.7	—	—	911	3.5	49	2.3
Contributions deduction ..	13,953	15.9	3,276	17.0	2,105	19.2	—	—	275	13.1
Medical and dental expense deduction ..	7,776	8.8	968	5.0	722	6.5	2,706	10.6	—	—
Net casualty or theft loss deduction ..	2,850	3.2	525	2.7	415	3.7	1,053	4.1	*18	8
Miscellaneous deductions ..	22,276	25.4	6,424	33.4	3,088	28.1	9,601	37.7	607	29.1
Foreign tax credit ..	—	—	—	—	—	—	—	—	—	—
Investment credit ..	11,385	13.0	2,610	13.6	2,007	18.3	4,027	15.8	174	8.3
Jobs credit ..	7,434	8.4	1,336	6.9	825	7.5	2,615	10.2	298	14.2
No second largest item ..	7,163	8.1	3,141	16.3	297	2.7	1,809	7.1	449	21.5
<b>Returns With No Modified Total Income Tax</b>										
<b>Returns with adjusted gross income \$200,000 or more</b>										
Total .....	28	100.0	8	28.5	†	†	—	—	†	†
Interest paid deduction ..	8	28.5	—	—	†	†	—	—	†	†
Taxes paid deduction ..	8	28.5	5	62.5	—	—	—	—	—	—
Contributions deduction ..	6	21.4	3	37.5	—	—	—	—	—	—
Medical and dental expense deduction ..	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction ..	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions ..	—	—	—	—	—	—	—	—	—	—
Foreign tax credit ..	—	—	—	—	—	—	—	—	—	—
Investment credit ..	3	10.7	—	—	—	—	—	—	—	—
Jobs credit ..	—	—	—	—	—	—	—	—	—	—
No second largest item ..	3	10.7	—	—	†	†	—	—	—	—
<b>Returns with expanded income \$200,000 or more</b>										
Total .....	64	100.0	37	57.8	*18	28.1	4	6.2	—	—
Interest paid deduction ..	*14	21.8	—	—	*12	66.6	1	25.0	—	—
Taxes paid deduction ..	8	12.5	4	10.8	—	—	2	50.0	—	—
Contributions deduction ..	*4	6.2	—	—	*3	16.6	—	—	—	—
Medical and dental expense deduction ..	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction ..	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions ..	3	4.6	—	—	2	11.1	1	25.0	—	—
Foreign tax credit ..	—	—	—	—	—	—	—	—	—	—
Investment credit ..	1	1.5	—	—	1	5.5	—	—	—	—
Jobs credit ..	—	—	—	—	—	—	—	—	—	—
No second largest item ..	34	53.1	33	89.1	—	—	—	—	—	—
<b>Returns with adjusted gross income plus excluded tax preferences \$200,000 or more</b>										
Total .....	74	100.0	41	55.4	2	2.7	1	1.3	2	2.7
Interest paid deduction ..	8	10.8	—	—	1	50.0	—	—	2	100.0
Taxes paid deduction ..	22	29.7	*7	17.0	—	—	—	—	—	—
Contributions deduction ..	6	8.1	3	7.3	—	—	—	—	—	—
Medical and dental expense deduction ..	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction ..	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions ..	1	1.3	1	2.4	—	—	—	—	—	—
Foreign tax credit ..	—	—	—	—	—	—	—	—	—	—
Investment credit ..	4	5.4	—	—	—	—	1	100.0	—	—
Jobs credit ..	—	—	—	—	—	—	—	—	—	—
No second largest item ..	33	44.5	30	73.1	1	50.0	—	—	—	—
<b>Returns with adjusted gross income less investment interest \$200,000 or more</b>										
Total .....	18	100.0	6	33.3	7	38.8	1	5.5	—	—
Interest paid deduction ..	4	22.2	—	—	2	28.5	—	—	—	—
Taxes paid deduction ..	3	16.6	2	33.3	—	—	—	—	—	—
Contributions deduction ..	5	27.7	—	—	4	57.1	—	—	—	—
Medical and dental expense deduction ..	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction ..	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions ..	1	5.5	—	—	1	14.2	—	—	—	—
Foreign tax credit ..	—	—	—	—	—	—	—	—	—	—
Investment credit ..	—	—	—	—	—	—	—	—	—	—
Jobs credit ..	—	—	—	—	—	—	—	—	—	—
No second largest item ..	4	22.2	4	66.6	—	—	—	—	—	—

Footnotes) at end of table



Table 8.9 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect — Continued

[All figures are estimates based on samples]

Item with second largest tax effect	Item with the largest tax effect—Continued									
	Net casualty or theft loss deduction		Miscellaneous deductions		Foreign tax credit		Investment credit		Jobs credit	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Returns With Modified Total Income Tax</b>										
<b>Returns with adjusted gross income \$200,000 or more</b>										
Total	465	5	2,729	2.9	—	—	4,701	5.0	1,341	1.4
Interest paid deduction	108	23.2	2,527	21.1	—	—	905	19.2	274	20.4
Taxes paid deduction	205	44.0	1,366	50.0	—	—	1,839	39.1	476	35.0
Contributions deduction	81	17.4	535	19.6	—	—	739	15.7	148	11.0
Medical and dental expense deduction	—	—	75	2.7	—	—	*8	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	*10	—	—	—
Miscellaneous deductions	*27	5.8	—	—	—	—	119	2.5	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	*19	6.3	149	5.4	—	—	—	—	334	24.9
Jobs credit	—	—	*8	—	—	—	—	—	445	9.4
No second largest item	—	—	*16	—	—	—	—	—	636	13.5
<b>Returns with expanded income \$200,000 or more</b>										
Total	869	7	11,005	9.0	—	—	7,461	6.1	2,035	1.6
Interest paid deduction	223	25.6	2,528	22.9	—	—	*1,713	22.9	455	22.3
Taxes paid deduction	206	23.7	2,884	26.2	—	—	2,366	31.7	468	23.0
Contributions deduction	308	35.4	4,394	39.9	—	—	2,144	28.7	526	25.8
Medical and dental expense deduction	—	—	395	3.5	—	—	67	—	—	—
Net casualty or theft loss deduction	—	—	58	—	—	—	73	—	—	—
Miscellaneous deductions	82	9.4	—	—	—	—	616	8.2	70	3.4
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	*31	3.5	531	4.8	—	—	—	—	283	13.9
Jobs credit	*18	2.0	80	—	—	—	—	—	327	4.3
No second largest item	1	—	135	1.2	—	—	—	—	155	2.0
<b>Returns with adjusted gross income plus excluded tax preferences \$200,000 or more</b>										
Total	671	5	3,761	2.9	—	—	7,683	5.9	1,724	1.3
Interest paid deduction	217	32.3	837	22.2	—	—	1,855	24.2	327	18.9
Taxes paid deduction	259	38.6	1,920	51.0	—	—	2,664	34.6	468	33.5
Contributions deduction	81	12.0	703	18.6	—	—	1,187	15.4	185	10.7
Medical and dental expense deduction	*4	—	112	2.9	—	—	*28	—	—	—
Net casualty or theft loss deduction	—	—	*13	—	—	—	*10	—	—	—
Miscellaneous deductions	*27	4.0	—	—	—	—	155	2.0	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	43	6.4	152	4.0	—	—	—	—	350	20.3
Jobs credit	*40	5.9	*8	—	—	—	—	—	614	7.9
No second largest item	—	—	*16	—	—	—	—	—	1,159	15.0
<b>Returns with adjusted gross income less investment interest \$200,000 or more</b>										
Total	1,306	1.4	17,717	20.2	—	—	8,546	9.7	2,383	2.7
Interest paid deduction	234	17.9	4,120	23.2	—	—	1,439	16.6	444	18.6
Taxes paid deduction	104	7.9	1,015	5.7	—	—	335	10.9	195	8.1
Contributions deduction	447	34.2	*4,899	27.6	—	—	2,453	28.7	498	20.9
Medical and dental expense deduction	*44	3.3	2,449	13.8	—	—	756	8.8	131	5.5
Net casualty or theft loss deduction	—	—	647	3.6	—	—	161	1.8	*31	1.3
Miscellaneous deductions	326	24.9	—	—	—	—	1,815	21.2	415	17.4
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	67	5.1	2,008	11.3	—	—	—	—	492	20.6
Jobs credit	78	5.9	*1,659	9.3	—	—	—	—	623	7.2
No second largest item	*6	—	920	5.1	—	—	—	—	364	4.2
<b>Returns With No Modified Total Income Tax</b>										
<b>Returns with adjusted gross income \$200,000 or more</b>										
Total	8	28.5	3	10.7	—	—	—	—	5	17.8
Interest paid deduction	4	50.0	—	—	—	—	—	—	—	—
Taxes paid deduction	—	—	—	—	—	—	—	—	—	—
Contributions deduction	—	—	—	—	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	3	60.0
No second largest item	—	—	—	—	—	—	—	—	—	—
<b>Returns with expanded income \$200,000 or more</b>										
Total	—	—	1	1.5	—	—	4	6.2	—	—
Interest paid deduction	—	—	—	—	—	—	1	25.0	—	—
Taxes paid deduction	—	—	—	—	—	—	2	50.0	—	—
Contributions deduction	—	—	—	—	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	100.0	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	—	—	—	—	—	—	1	25.0
<b>Returns with adjusted gross income plus excluded tax preferences \$200,000 or more</b>										
Total	8	10.8	3	4.0	—	—	*12	16.2	5	6.7
Interest paid deduction	4	50.0	—	—	—	—	—	—	1	20.0
Taxes paid deduction	2	25.0	—	—	—	—	*12	100.0	—	—
Contributions deduction	2	25.0	—	—	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	33.3	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	3	60.0
No second largest item	—	—	—	—	—	—	—	—	—	—
<b>Returns with adjusted gross income less investment interest \$200,000 or more</b>										
Total	—	—	3	16.6	—	—	1	5.5	—	—
Interest paid deduction	—	—	1	33.3	—	—	—	—	—	—
Taxes paid deduction	—	—	1	33.3	—	—	—	—	—	—
Contributions deduction	—	—	1	33.3	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	—	—	—	—	—	—	—	—

\* Data deleted to avoid disclosure of information for specific taxpayers. (Detailed data are included in the appropriate total.)

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

— Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zeros.

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

**Table 8.10 — Returns With No Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Itemized Deductions as a Percent of Income**

[All figures are estimates based on samples]

Type of deduction or credit	Returns with adjusted gross income \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	28	†	3	—	†	—	—	—	—	—	23
Interest paid deduction											
Total	28	6	7	3	†	—	—	—	—	†	8
Investment interest per income concept	28	7	9	†	†	†	—	—	†	†	4
Investment interest exceeding investment income per concept	28	17	4	†	†	†	—	—	†	—	†
Taxes paid deduction	28	3	19	3	†	—	—	—	—	—	†
Contributions deduction	28	4	20	†	—	†	—	—	—	—	—
Medical and dental expense deduction	28	16	10	—	—	—	—	—	—	†	—
Net casualty or theft loss deduction	28	19	†	—	—	—	—	—	—	†	—
Miscellaneous deductions	28	9	15	†	—	—	—	—	—	—	†
Deduction equivalent of											
Total credits	28	21	†	—	—	—	—	—	†	3	†
Foreign tax credit	28	28	—	—	—	—	—	—	—	—	—
Investment credit	28	21	†	—	—	†	—	—	—	—	—
Jobs credit	28	24	—	—	—	—	—	—	†	†	—
Tax preferences excluded from adjusted gross income	28	5	19	†	†	†	—	—	—	—	—

Type of deduction or credit	Returns with expanded income \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	64	31	*18	—	1	—	—	1	—	—	13
Interest paid deduction											
Total	64	36	23	1	—	—	—	—	—	—	2
Investment interest per income concept	64	37	23	1	—	—	—	1	—	—	1
Investment interest exceeding investment income per concept	64	60	2	—	—	—	—	—	—	—	2
Taxes paid deduction	64	33	28	2	—	—	—	—	—	—	1
Contributions deduction	64	34	27	2	—	—	1	—	—	—	—
Medical and dental expense deduction	64	41	22	—	—	—	—	—	—	—	1
Net casualty or theft loss deduction	64	57	†	—	—	—	—	—	—	—	6
Miscellaneous deductions	64	40	*20	—	1	—	—	—	—	1	2
Deduction equivalent of											
Total credits	64	44	*15	—	—	—	—	—	1	3	1
Foreign tax credit	64	64	—	—	—	—	—	—	—	—	—
Investment credit	64	41	*19	—	—	—	1	—	—	—	—
Jobs credit	64	60	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income	64	5	12	—	—	1	—	—	—	—	46

Type of deduction or credit	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Total itemized deductions	74	31	*16	2	—	—	—	—	—	—	23
Interest paid deduction											
Total	74	36	*20	*5	2	—	—	1	—	1	8
Investment interest per income concept	74	37	23	2	1	2	1	2	1	2	3
Investment interest exceeding investment income per concept	74	65	2	2	1	1	—	—	2	—	1
Taxes paid deduction	74	33	36	2	1	—	—	—	—	—	2
Contributions deduction	74	34	36	2	—	2	—	—	—	—	—
Medical and dental expense deduction	74	46	26	—	—	—	—	—	1	1	—
Net casualty or theft loss deduction	74	65	†	—	—	—	—	—	—	1	7
Miscellaneous deductions	74	41	28	2	—	—	—	—	—	1	2
Deduction equivalent of											
Total credits	74	54	*15	—	—	—	—	—	1	3	1
Foreign tax credit	74	74	—	—	—	—	—	—	—	—	—
Investment credit	74	54	*19	—	—	—	1	—	—	—	—
Jobs credit	74	70	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income	74	5	20	1	2	—	—	—	—	—	46

Type of deduction or credit	Returns with adjusted gross income less investment interest \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
Total itemized deductions	18	†	3	—	1	—	—	—	—	—	13
Interest paid deduction											
Total	18	7	8	1	—	—	—	—	—	—	2
Investment interest per income concept	18	7	8	1	—	—	—	1	—	—	—
Investment interest exceeding investment income per concept	18	14	2	—	—	—	—	—	—	—	2
Taxes paid deduction	18	3	12	2	—	—	—	—	—	—	1
Contributions deduction	18	4	12	1	—	—	1	—	—	—	—
Medical and dental expense deduction	18	11	6	—	—	—	—	—	—	—	1
Net casualty or theft loss deduction	18	11	†	—	—	—	—	—	—	—	6
Miscellaneous deductions	18	8	7	—	—	—	—	—	—	—	3
Deduction equivalent of											
Total credits	18	11	2	—	—	—	—	—	1	3	1
Foreign tax credit	18	18	—	—	—	—	—	—	—	—	—
Investment credit	18	11	†	—	—	—	1	—	—	—	—
Jobs credit	18	14	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income	18	5	11	1	—	1	—	—	—	—	—

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
 \* Estimate should be used with caution because of the small number of sample returns on which it is based.

**Table 8.11 — Returns With and Without Modified Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts**

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income					Size of expanded income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns</b> .....	<b>92,694,302</b>	<b>90,352,821</b>	<b>1,889,878</b>	<b>357,872</b>	<b>93,731</b>	<b>92,694,302</b>	<b>90,158,807</b>	<b>2,008,182</b>	<b>405,082</b>	<b>122,231</b>
Returns with no modified total income tax										
Number of returns	19,256,290	19,250,217	5,809	236	28	19,256,290	19,249,161	6,827	236	64
Percent of total	20.8	21.3	3	1	—	20.8	21.4	3	1	1
Returns with modified total income tax										
Number of returns	73,438,012	71,102,604	1,884,069	357,636	93,703	73,438,012	70,909,646	2,001,355	404,844	122,167
Percent of total	79.2	78.7	99.7	99.9	100.0	79.2	78.6	99.7	99.9	99.9
Effective tax rate										
Under 5 percent										
Number of returns	12,195,114	12,173,483	18,526	2,739	366	12,353,363	12,313,772	36,212	2,964	415
Percent of total	13.2	13.5	1.0	.8	.4	13.3	13.7	1.8	.7	.3
5 under 10 percent										
Number of returns	20,481,806	20,439,544	36,491	4,830	941	20,639,109	20,526,615	100,255	10,435	1,604
Percent of total	22.1	22.6	1.9	1.3	1.0	22.3	22.8	5.0	2.6	1.5
10 under 15 percent										
Number of returns	25,027,608	24,929,032	90,049	7,361	1,166	24,953,662	24,752,272	164,064	32,811	4,515
Percent of total	27.0	27.6	4.8	2.1	1.2	26.9	27.5	8.2	8.1	3.7
15 under 20 percent										
Number of returns	11,338,227	11,023,187	301,862	10,903	2,275	11,291,087	10,897,700	348,150	30,500	14,737
Percent of total	12.2	12.2	16.0	3.0	2.4	12.2	12.1	17.3	7.5	12.1
20 under 25 percent										
Number of returns	2,891,719	2,256,875	611,359	20,855	2,630	2,821,802	2,168,248	601,542	36,510	15,502
Percent of total	3.1	2.5	32.3	5.8	2.8	3.0	2.4	30.0	9.0	12.7
25 under 30 percent										
Number of returns	815,547	237,829	524,124	49,480	4,114	789,082	218,931	496,576	61,590	11,985
Percent of total	.9	.3	27.7	13.8	4.4	.9	.2	24.7	15.2	9.8
30 under 35 percent										
Number of returns	366,249	32,446	228,868	96,818	8,117	337,634	26,318	199,486	97,752	14,078
Percent of total	.4	—	12.1	27.1	8.7	.4	—	9.9	24.1	11.5
35 under 40 percent										
Number of returns	178,397	2,126	58,290	101,479	16,502	156,871	1,640	46,781	89,285	19,165
Percent of total	.2	—	3.1	28.4	17.6	.2	—	2.3	22.0	15.7
40 under 45 percent										
Number of returns	80,550	328	10,190	46,672	23,360	61,394	*166	5,946	33,816	21,466
Percent of total	.1	—	.5	13.0	24.9	.1	—	.3	8.3	17.6
45 under 50 percent										
Number of returns	31,924	799	1,760	12,157	17,208	20,442	*716	1,201	7,085	11,440
Percent of total	—	—	.1	3.4	18.4	—	—	.1	1.7	9.4
50 under 60 percent										
Number of returns	21,667	1,913	1,687	3,896	14,171	10,973	*1,463	993	2,079	6,438
Percent of total	—	—	.1	1.1	15.1	—	—	—	.5	5.3
60 under 70 percent										
Number of returns	3,690	532	276	251	2,631	727	*29	*75	*14	609
Percent of total	—	—	—	.1	2.8	—	—	—	—	.5
70 under 80 percent										
Number of returns	686	358	*134	64	130	*84	1	*68	3	*12
Percent of total	—	—	—	—	.1	—	—	—	—	—
80 percent or more										
Number of returns	4,828	4,152	453	131	92	1,782	1,775	6	—	1
Percent of total	—	—	—	—	.1	—	—	—	—	—

Footnote(s) at end of table

Table 8.11 — Returns With and Without Modified Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts — Continued

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income plus excluded tax preferences					Size of adjusted gross income less investment interest				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All returns</b> .....	<b>92,694,302</b>	<b>90,079,611</b>	<b>2,065,654</b>	<b>419,600</b>	<b>129,437</b>	<b>92,694,302</b>	<b>90,426,154</b>	<b>1,838,695</b>	<b>341,841</b>	<b>87,612</b>
Returns with no modified total income tax										
Number of returns	19,256,290	19,247,210	8,720	286	74	19,256,290	19,251,412	4,644	216	18
Percent of total	20.8	21.4	4	1	1	20.8	21.3	3	1	—
Returns with modified total income tax										
Number of returns	73,438,012	70,832,401	2,056,934	419,314	129,363	73,438,012	71,174,742	1,834,051	341,625	87,594
Percent of total	79.2	78.6	99.6	99.9	99.9	79.2	78.7	99.7	99.9	100.0
Effective tax rate										
Under 5 percent										
Number of returns	12,393,064	12,339,564	47,428	5,239	833	12,160,036	12,145,236	13,205	1,460	135
Percent of total	13.4	13.7	2.3	1.2	6	13.1	13.4	7	4	2
5 under 10 percent										
Number of returns	20,739,864	20,610,614	110,786	15,009	3,455	20,392,676	20,348,336	30,926	3,044	370
Percent of total	22.4	22.9	5.4	3.6	2.7	22.0	22.5	1.7	9	4
10 under 15 percent										
Number of returns	25,006,143	24,785,541	178,921	34,798	6,883	24,962,606	24,883,784	73,163	5,113	546
Percent of total	27.0	27.5	8.7	8.3	5.3	26.9	27.5	4.0	1.5	6
15 under 20 percent										
Number of returns	11,203,390	10,771,084	383,848	32,281	16,177	11,422,417	11,148,772	264,015	8,173	1,457
Percent of total	12.1	12.0	18.6	7.7	12.5	12.3	12.3	14.4	2.4	1.7
20 under 25 percent										
Number of returns	2,772,108	2,090,706	623,383	42,275	15,744	2,945,107	2,348,728	578,938	15,689	1,752
Percent of total	3.0	2.3	30.2	10.1	12.2	3.2	2.6	31.5	4.6	2.0
25 under 30 percent										
Number of returns	762,871	204,294	477,913	67,332	13,332	837,253	253,622	540,434	40,269	2,928
Percent of total	8	2	23.1	16.0	10.3	9	3	29.4	11.8	3.3
30 under 35 percent										
Number of returns	324,056	25,611	184,404	98,766	15,275	379,709	34,234	249,831	89,432	6,212
Percent of total	3	—	8.9	23.5	11.8	4	—	13.6	26.2	7.1
35 under 40 percent										
Number of returns	148,564	923	42,521	84,923	20,197	190,602	1,985	67,813	106,778	14,026
Percent of total	2	—	2.1	20.2	15.6	2	—	3.7	31.2	16.0
40 under 45 percent										
Number of returns	56,376	1,165	5,395	30,289	20,527	87,786	1,805	10,884	52,531	22,566
Percent of total	1	—	3	7.2	15.9	1	—	6	15.4	25.8
45 under 50 percent										
Number of returns	18,869	1,708	1,200	6,481	10,480	34,877	907	1,816	13,956	18,198
Percent of total	—	—	1	1.5	8.1	—	—	1	4.1	20.8
50 under 60 percent										
Number of returns	10,263	1,463	992	1,920	5,888	24,733	2,004	2,064	4,561	16,104
Percent of total	—	—	—	5	4.5	—	—	1	1.3	18.4
60 under 70 percent										
Number of returns	640	1	74	—	565	4,056	420	260	357	3,019
Percent of total	—	—	—	—	4	—	—	—	1	3.4
70 under 80 percent										
Number of returns	75	1	67	1	6	677	228	234	67	148
Percent of total	—	—	—	—	—	—	—	—	—	2
80 percent or more										
Number of returns	1,729	1,726	2	—	1	5,477	4,681	468	195	133
Percent of total	—	—	—	—	—	—	—	—	1	2

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

— Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zero.

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

**Table 8.12 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income**

[All figures are estimates based on samples]

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns (1)	Percent of total (2)	Cumulative percent of total (3)	Number of returns (4)	Percent of total (5)	Cumulative percent of total (6)	Number of returns (7)	Percent of total (8)	Cumulative percent of total (9)	Number of returns (10)	Percent of total (11)	Cumulative percent of total (12)
<b>All returns</b>	93,731	100.0	—	122,231	100.0	—	129,437	100.0	—	87,612	100.0	—
Returns with no modified total income tax	28	—	—	64	1	—	74	1	—	18	—	—
Returns with modified total income tax	93,703	100.0	100.0	122,167	99.9	100.0	129,363	99.9	100.0	87,594	100.0	100.0
Ratio of taxable income to alternative income												
Under 5 percent	16	—	—	45	—	—	58	—	—	15	—	—
5 under 10 percent	56	1	—	102	1	—	138	1	—	31	—	—
10 under 15 percent	241	3	3	189	2	3	570	4	6	55	1	1
15 under 20 percent	530	6	9	638	5	8	1,361	11	16	196	2	3
20 under 25 percent	531	5	15	1,495	12	20	2,754	21	38	211	2	6
25 under 30 percent	558	6	21	2,760	23	43	4,238	30	70	295	3	9
30 under 35 percent	995	11	31	6,084	50	93	7,798	60	131	522	6	15
35 under 40 percent	1,408	15	46	12,218	100	193	12,185	94	225	921	11	26
40 under 45 percent	1,688	18	64	10,641	87	280	10,549	82	307	1,079	12	38
45 under 50 percent	1,960	21	85	6,341	52	332	7,119	55	362	1,377	16	54
50 under 60 percent	6,467	69	154	14,902	122	454	16,254	126	487	4,917	56	110
60 under 70 percent	15,642	167	321	20,853	171	624	22,632	175	662	12,291	140	250
70 under 80 percent	31,671	338	659	28,626	234	859	28,131	217	880	29,870	341	591
80 percent or more	31,940	341	100.0	17,273	141	100.0	15,576	120	100.0	35,814	409	100.0

\* Estimate should be used with caution because of the small number of sample returns on which it is based  
 † Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zero  
 NOTE: Dashes may not add to total because of rounding



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Form 1040 (1979)

**Tax Computation**  
 31 Amount from line 31 (adjusted gross income)  
 32 If you do not itemize deductions, enter zero  
 33 If you itemize, complete Schedule A (Form 1040) and enter the amount from Schedule A, line 41  
 34 **Caution:** If you have unearned income and can be claimed as a dependent on your parent's return, check here  and see page 12 of the instructions. Also see page 12 of the instructions for filing a separate return and your spouse itemizes deductions, OR  
 • You file Form 4563, OR  
 • You are a dual status alien  
 Subtract line 33 from line 32. Use the amount on line 34 to find your tax from the Tax Table. Enter the amount on line 34. See instructions for filing a separate return and your spouse itemizes deductions, OR  
 Use Schedule TC, Part I, and the Tax Rate Schedules ONLY if  
 • Line 34 is more than \$20,000 (\$40,000 if you checked Filing Status box 2 or 5), OR  
 • You have more exemptions than are shown in the Tax Table for your filing status, OR  
 • You are a dual status alien  
 Otherwise, you MUST use the Tax Tables to find your tax.  
 35 Tax. Enter tax here and check if from  Tax Tables or  Schedule TC  
 36 Additional taxes. (See page 12 of instructions.) Enter here and check if from  Form 4970,  Form 4972,  Form 5544,  Form 5405, or  Section 72(m)(5) penalty tax  
 37 Total. Add lines 35 and 36

**Credits**  
 38 Credit for contributions to candidates for public office  
 39 Credit for the elderly (attach Schedules R&RP)  
 40 Credit for child and dependent care expenses (Form 2441)  
 41 Investment credit (attach Form 3468)  
 42 Foreign tax credit (attach Form 1116)  
 43 Work incentive (WIN) credit (attach Form 4874)  
 44 Jobs credit (attach Form 5884)  
 45 Residential energy credits (attach Form 5695)  
 46 Total credits. Add lines 38 through 45  
 47 Balance. Subtract line 46 from line 37 and enter difference (but not less than zero)

**Other Taxes**  
 48 Self-employment tax (attach Schedule SE)  
 49a Minimum tax. Attach Form 4625 and check here   
 49b Alternative minimum tax. Attach Form 6251 and check here   
 50 Tax from recomputing prior year investment credit (attach Form 4255)  
 51 Social security (FICA) tax on tip income not reported to employer (attach Form 4137)  
 51b Uncollected employee FICA and RRTA tax on tips (from Form W-2)  
 52 Tax on an IRA (attach Form 5329)  
 53 Advance earned income credit payments received (from Form W-2)  
 54 Total. Add lines 47 through 53

**Payments**  
 55 Total Federal income tax withheld  
 56 1979 estimated tax payments and credit from 1978 return  
 57 Earned income credit. If line 32 is under \$10,000, see page 2 of instructions  
 58 Amount paid with Form 4868  
 59 Excess FICA and RRTA tax withheld (two or more employers)  
 60 Credit for Federal tax on special fuels and oils (attach Form 4136 or 4136-T)  
 61 Regulated Investment Company credit (attach Form 2439)  
 62 Total. Add lines 55 through 61

**Refund or Balance Due**  
 63 If line 62 is larger than line 54, enter amount OVERPAID  
 64 Amount of line 63 to be REFUNDED TO YOU  
 65 Amount of line 63 to be credited on 1980 estimated tax  
 66 If line 54 is larger than line 62, enter BALANCE DUE. Attach check or money order for full amount payable to Internal Revenue Service. Write your social security number on check or money order (check  if from 210 (2230)) is attached. See page 13 of instructions

**Please Sign Here**  
 My signature  
 Preparer's signature  
 Preparer's name (or firm's name) and address  
 Date  
 Spouse's signature (if filing jointly BOTH must sign even if only one has received preparer's social security no.)  
 Preparer's signature  
 Preparer's name (or firm's name) and address  
 Date  
 Spouse's signature (if filing jointly BOTH must sign even if only one has received preparer's social security no.)  
 Preparer's signature  
 Preparer's name (or firm's name) and address  
 Date  
 Spouse's signature (if filing jointly BOTH must sign even if only one has received preparer's social security no.)

Department of the Treasury—Internal Revenue Service  
**1040 U.S. Individual Income Tax Return 1979**

Use for Private Act Notice, see page 3 of instructions. For this year, January 1, 1979, or after, use year beginning 1979 ending 1979

Your first name and initial (if joint return, give wife's name and initial) Last name Your social security number  
 Other: Please print name and address (Number and street, including apartment number, or rural route, city, town or post office, State and ZIP code) Spouse's social security no. Spouse's occupation Spouse's occupation

**Do you want \$1 to go to this fund?**  
 If joint return, does your spouse want \$1 to go to this fund? Yes No  
 If separate return, does your spouse want \$1 to go to this fund? Yes No

**Filing Status**  
 1 Single  
 2 Married filing joint return (even if only one had income)  
 3 Married filing separate return. Enter spouse's social security number above and full name here  
 4 Head of household. (See page 7 of instructions.) If qualifying person is your unmarried child, enter child's name  
 5 Qualifying widow(er) with dependent child (Year spouse died) 19  
 6a Yourself 65 or over Blind  
 b Spouse 65 or over Blind  
 c First names of your dependent children who lived with you  
 d Other dependents (1) Relationship (2) Number of months lived in your home (3) Gross income of more than one-half of dependent's support. Enter number of other dependents entered in boxes above

**Exemptions**  
 Always check the box tabbed "Support". Check other boxes if they apply.

**Income**  
 Please attach Copy B of your Forms W-2 here, if you do not have a W-2, see instructions.  
 7 Total number of exemptions claimed  
 8 Wages, salaries, tips, etc.  
 9 Interest income (attach Schedule B if over \$400)  
 10a Dividends (attach Schedule B if over \$400)  
 10b Subcontract line 10b from line 10a  
 11 State and local income tax refunds (does not apply unless refund is for year you itemized deductions—see page 10 of instructions)  
 12 Alimony received  
 13 Business income or loss (attach Schedule C)  
 14 Capital gain or loss (attach Schedule D)  
 15 Taxable part of capital gain distributions not reported on Schedule D (see page 10 of instructions)  
 16 Supplemental gains or losses (attach Form 4797)  
 17 Fully taxable pensions and annuities not reported on Schedule E  
 18 Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E)  
 19 Farm income or loss (attach Schedule F)  
 20a Unemployment compensation. Total amount received  
 20b Taxable part, if any, from worksheet on page 10 of instructions  
 21 Other income (state nature and source—see page 10 of instructions)  
 22 Total income. Add amounts in column for lines 8 through 21

**Adjustments to Income**  
 23 Moving expense (attach Form 3903 or 3903F)  
 24 Employee business expenses (attach Form 2106)  
 25 Payments to a Keogh (R 10) retirement plan  
 26 Interest penalty on early withdrawal of savings  
 27 Alimony paid (see page 11 of instructions)  
 28 Disability income exclusion (attach Form 2440)  
 29 Total adjusted gross income. Subtract line 30 from line 22. If this line is less than \$10,000, see page 2 of instructions. If you want IRS to figure your tax, see page 4 of instructions

**Adjusted Gross Income**



Department of the Treasury / Internal Revenue Service

## and instructions for Schedules A, B, C, D, E, F, R, RP, and SE (Tax Tables — pages 32-43)

### From the Commissioner

These instructions contain information needed to complete Form 1040 and related schedules. Before starting Form 1040, please check to see if you can file Form 1040A instead. See page 4 of the instructions—"Which Form to File".

Most of the lines on the form are the same as last year. But changes in the law caused us to add some lines and change others. So please be careful if you use last year's return as a guide.

Recent changes in the tax law, such as a decrease in the tax rates and an increase in the personal exemption from \$750 to \$1,000, have already been figured into the Tax Tables. See **Highlights for 1979** on page 3 for a brief summary of this year's changes.

Some taxpayers receiving unemployment compensation may find that part or all of it is taxable. See page 10 of the instructions for further information.

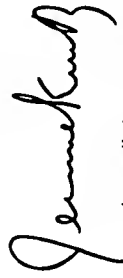
If your income is less than \$10,000, you may be able to take the Earned Income Credit. This credit may entitle you to a payment from the government even if you paid no tax. Please read page 2 of the instructions carefully.

If you are eligible for the Earned Income Credit, you may find that you can receive advance payments from your employer throughout the year. If you received advance payments in 1979, report them on line 53 of Form 1040. If you expect to qualify for the Earned Income Credit in 1980 and want to receive advance payments, file Form W-5 with your employer.

If you need help, please call us at the number listed for your area on page 48 or 49, or visit an IRS office. If you have any suggestions for improvement of our forms or instructions, please write to us at:

Internal Revenue Service, Room 5577  
1111 Constitution Avenue, NW.  
Washington, DC 20224

After you complete your return, please check to make sure it is correct, sign it and then file it early. Thank you for your cooperation.



Jerome Kurtz  
Commissioner of Internal Revenue

## Earned Income Credit

(If your income is less than \$10,000, and you have a child, read this page carefully.)

To see if you can take the Earned Income Credit, complete Form 1040 through line 31, and answer the questions below.

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. Is the amount you listed on Form 1040, line 31, less than \$10,000?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the amount on line 31 include any wages, salaries, or other earned income?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Did you have a child who lived with you in the same principal residence in the U.S. during 1979?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. If you checked Filing Status box 2 or box 5 on Form 1040, did you claim your child as a dependent on Form 1040, line 6c? OR If you checked Filing Status box 4 on Form 1040 and your child was married for 1979, did you claim that child as a dependent on Form 1040, line 6c? OR If you checked Filing Status box 4 on Form 1040 and your child was unmarried for 1979, did you enter that child's name on Form 1040, line 4 (or 6c if you claimed that child as a dependent)? | <input type="checkbox"/> | <input type="checkbox"/> |

### Note—The term "child" includes:

- Your son or daughter.
- Your stepchild or a child placed with you by an authorized placement agency for legal adoption (even if the child became your stepchild or adopted child, or was placed with you during the year).
- Any other person who was under your care for as long as your own child for the whole year, unless the child's natural or adoptive parents provided more than half of the support for that year.

If you answered **NO** to any question, you can't take the earned income credit. Do not fill in the worksheet.

If you answered **YES** to all the questions, you may be able to take the credit. Use the Earned Income Credit Worksheet to figure the amount of any credit. Note: If you expect to answer **YES** to all of the above questions for 1980 and want to receive advance payments of the credit, file Form W-5 with your employer.

## Earned Income Credit Worksheet

To figure your credit, follow the instructions below.

1. Enter the amount from Form 1040, line 8. Caution: Include only amounts which were compensation for services. Do not include pensions or annuities. **3**
2. If you were self-employed, enter the amount, even if a loss, from Schedule SE, line 13 (if you have self-employment income that you reported on line 1 above, do not include it here.)
3. Earned income. Add lines 1 and 2. If the result is more than \$10,000, subtract line 2 from line 1. If the amount on line 3 is \$0 or less, do not complete the rest of this worksheet; you cannot take the credit. If it is more than zero, complete 4 and either 5 or 6 below.
4. Adjusted gross income. Enter the amount from Form 1040, line 31.
5. If line 4 above is \$6,000 or less, use the amount from line 3 above to find your credit in the table on page 45. Enter the credit here and on Form 1040, line 57.
6. If line 4 above is over \$6,000:
  - a. Enter the amount from line 3 above.
  - b. Then find the amount from line 4 in the table and enter the credit for that amount here.
  - c. Enter the amount from line 6a or 6b, whichever is smaller, here and on Form 1040, line 57.

Do NOT file this worksheet with your return—Keep it for your tax records

### Highlights for 1979 Please note these important reminders for this year.

#### Tax Rates Have Been Decreased and Personal Exemptions Have Been Increased

For most taxpayers, the tax rates have been decreased. The deduction for personal exemptions has been increased from \$750 to \$1,000. This increase also applies to the extra exemptions for age and blindness. These changes have already been figured into the tax Tables.

#### Zero Bracket Amounts and Income Levels for Filing Have Been Increased

The Zero Bracket Amounts have been increased for all taxpayers. For those who file as Single or Head of household, the amount has been increased from \$2,200 to \$2,300. For Married taxpayers filing jointly and Qualifying widowers with a dependent child, it has been increased from \$3,200 to \$3,400. For Married taxpayers who file separately, it has been increased from \$1,600 to \$1,700. The levels of income for which you must file a return are also higher. See "Who Must File" on page 4 for the new income levels.

#### General Tax Credit Has Expired

The general tax credit expired on December 31, 1978. You cannot claim it this year.

#### Privacy Act Notice

The Privacy Act of 1974 says that each Federal agency that asks you for information must tell you:

- Its legal right to ask for the information and whether the law says you must give it.
- What major purposes the agency has in asking for it, and how it will be used.
- What could happen if the agency does not receive it.

For the Internal Revenue Service, the law covers:

- Tax returns and any papers filed with them.
- Any questions we need to ask you so we can:

- Complete, correct, or process your return.
- Figure your tax.
- Collect your tax, interest, or penalties.

#### Earned Income Credit Has Been Increased

Both the maximum amount you can earn and the maximum credit you can get have been increased. The income ceiling for eligibility has been increased from \$6,000 to \$10,000. The credit can now go as high as \$500. For more details, see page 2.

#### New Advance Earned Income Credit Payments

If you received advance payments of the earned income credit from your employer, you must file a tax return even if your income was below the minimum level for your filing status. If your allowable credit is different from the advance payments you received, your tax liability will increase or decrease accordingly.

#### Unemployment Compensation May Be Taxable

If you received unemployment compensation payments after December 31, 1978, they may be taxable. See the instructions and worksheet on page 10 for more information.

#### Political Contributions

The limit for the credit allowed for political contributions has been doubled. For 1979, you can claim one-half of what you gave, but not more than \$50 (\$100 if you are married filing a joint return). However, you may no longer claim an itemized deduction for these contributions. See the instructions for line 38 on page 13.

#### No Deductions for State and Local Gasoline Taxes

You may no longer claim State or local gasoline taxes as an itemized deduction on Form 1040. See the instructions for line 13 for details.

#### Standard Mileage Rates Increased

The standard mileage rate for business use of a car or truck has been increased to 18½ cents per mile for the first 15,000 miles. For each mile over 15,000, the rate will continue to be 10 cents. The standard mileage rate for charitable, medical, or moving purposes has been increased to 8 cents per mile.

#### IRS Will Figure Credit for the Elderly

If you want us to figure your credit for the elderly, see IRS Will Figure Your Tax and Some of Your Credits, on pages 4 and 5 of the instructions.

Governments because of tax treaties they have with the United States. If a return is not filed, or if we don't receive the information we ask for, the law provides that a penalty may be charged. And we may have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on your return. This could make the tax you must pay higher. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

This is the only notice we must give you to explain the Privacy Act. However, we may give you other notices if we have to examine your return or collect any tax, interest, or penalties.

## Form 1040 General Instructions

### Who Must File

Your income and your filing status generally determine whether or not you must file a tax return.

You must file a return if you have no tax: **And your income was at least:**

If you were single (this also means legally separated, divorced, or widowed)	5,400
If you were married (jointly or separately) and living apart from your spouse for part of 1979 and:	7,400
Under 65	4,300
65 or over	\$3,300

### Which Form to File

**You MAY Be Able to Use Form 1040A if:**

- You had only wages, salaries, tips, unemployment compensation, or not more than \$400 of interest and dividends. You may file Form 1040A even if your interest or dividend income was more than \$400 if you are filing only to get a refund of the earned income credit, AND
- Your total income is \$20,000 or less (\$40,000 or less if you are married and filing a joint return).

### When to File

You should file as soon as you can after January 31, but not later than April 15, 1980, if you file late, you may have to pay penalties and interest. Please see the instructions for Penalties and Interest on page 15. If you know that you cannot meet the April 15 deadline, you should ask for an extension on Form 4868. Application for Extension of Time to File. See the U.S. Individual Income Tax Return.

### IRS Will Figure Your Tax Credits

If you want us to figure your tax credits, you must file a return. You will send us a return if you did not pay enough, but we will bill you for the balance. You will not be charged interest or penalties if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later. See the instructions for the conditions below.

- All of your income for 1979 was from one or more of these:
- a. Salaries and Wages
- b. Tips
- c. Interest
- d. Dividends
- e. Pensions or Annuities
- f. You do not itemize deductions.
- g. You do not file Schedule G, Income Averaging.
- h. You were a qualifying widow(er) with a dependent child.
- i. You were a nonresident alien during all or part of 1979 and did not file a joint return (or Form 1040NR).
- j. You were married to a nonresident alien at the end of 1979 who had U.S. source income. Exception: You can still use Form 1040A if you meet the tests on page 6 under Married Persons Who Live Apart (and Abandoned Spouses).

These rules apply to all U.S. citizens and resident aliens, including those who are:

- Tax on an IRA (Individual Retirement Arrangement).
- Tax from recomputing a prior year investment credit.

under 21 years of age. They also apply to those nonresident aliens and resident aliens who are married to citizens or residents of the United States at the end of 1979. See the instructions for Form 1040-E, Declaration of Estimated Tax for Individuals, for 1979 (or if you are married to a nonresident alien, see the instructions for Form 1040-NR, Underemployment of Estimated Tax, for 1979).

**Note:** Different rules apply if you were a nonresident alien for part of 1979 (or if you were a resident alien for part of 1980). (unless you file a joint return as mentioned above). You may have to file Form 1040NR, U.S. Nonresident Alien Income Tax Return. Also see Publication 519, U.S. Tax Guide for Aliens.

### Who Should File

Even if you do not have to file, you should file to get a refund if income tax was withheld from your pay. Also file if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A.

### Who Must File

You must file if you have any of the adjustments to income shown on Form 1040, lines 23 through 29.

- You file any of these forms: Form 1040-E, Declaration of Estimated Tax for Individuals, for 1979 (or if you are married to a nonresident alien, see the instructions for Form 1040-NR, Underemployment of Estimated Tax, for 1979).
- Schedule G, Income Averaging.
- Form 2210, Underpayment of Estimated Tax for Individuals, for 1979.
- Form 2555, Deduction from, or Exclusion of, Income Earned Abroad.
- Form 4563, Exclusion of Income from Sources in United States Possessions.
- You owe any of the taxes on Form 1040, line 35 or lines 48 through 52.
- You claim any of the credits on Form 1040, line 39 through 45.
- You claim any of the payments on Form 1040, lines 58, 60, or 61.
- You are required to fill in Part III of Schedule B for Foreign Accounts and Foreign Trusts (see page 19 of Instructions).

### You MUST Use Form 1040 if:

- You itemize deductions.
- You claim more exemptions than are shown in the tax table for your filing status.
- Your spouse files a separate return from sources within U.S. possessions.
- You and itemize deductions, exclusions, you dependent child and can meet the tests on page 6 under Married Persons Who Live Apart (and Abandoned Spouses).
- You can be claimed as a dependent on your parents' return AND had interest, dividends, or other unearned income of \$1,000 or more, or \$2,300 or less (less than \$1,700 if married filing a separate return).
- You are a qualifying widow(er) with a dependent child.
- You were a nonresident alien during all or part of 1979 and did not file a joint return (or Form 1040NR).
- You were married to a nonresident alien at the end of 1979 who had U.S. source income. Exception: You can still use Form 1040A if you meet the tests on page 6 under Married Persons Who Live Apart (and Abandoned Spouses).

Where to File

Please use the addressed envelope that came with your return. If you do not have an addressed envelope, you should use the following information to address your return to the Internal Revenue Service Center for the area in which your return address is located.

- Alabama—Montgomery, TN 37501
Indiana—Memphis, TN 37501
Iowa—Des Moines, IA 50319
Kentucky—Louisville, KY 40203
Louisiana—New Orleans, LA 70112
Maryland—Baltimore, MD 21201
Mississippi—Jackson, MS 39201
Missouri—St. Louis, MO 63110
Minnesota—Minneapolis, MN 55401
Nebraska—Omaha, NE 68101
New Hampshire—Manchester, NH 03101
New Jersey—Newark, NJ 07101
New Mexico—Albuquerque, NM 87101
New York—New York City, NY 10101
North Carolina—Charlotte, NC 28201
Ohio—Cincinnati, OH 45201
Oklahoma—Oklahoma City, OK 73101
Oregon—Portland, OR 97201
Pennsylvania—Philadelphia, PA 19101
Rhode Island—Providence, RI 02901
South Carolina—Columbia, SC 29201
South Dakota—Sioux Falls, SD 57101
Tennessee—Memphis, TN 38101
Texas—Austin, TX 78701
Utah—Salt Lake City, UT 84101
Vermont—Montpelier, VT 05601
Virginia—Richmond, VA 23201
Washington—Seattle, WA 98101
West Virginia—Martinsburg, WV 26101
Wisconsin—Madison, WI 53701
Wyoming—Cheyenne, WY 82001

Other Information

• Your adjusted gross income (line 31) is not more than \$20,000 (not more than \$40,000 if you are married and filing a joint return or filing as a qualifying widow(er))...
• You filed your spouse's filing a joint return for 1979...
• You give us enough information so we can figure the tax. Please read the following instructions...

• If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund...
• A joint return should show your spouse's 1979 income before death and your income for all of 1979...
• If you want more details, please get Publication 559, Tax Information for Survivors, Executors, and Administrators...
• U.S. Citizens Living Abroad. Generally, foreign source income must be reported on your return...

Steps for Preparing Your Return

We have set up this year's instructions using 9 steps. You should complete the first 4 steps. You follow BEFORE you begin to fill out your return. Then, you may find it helpful to follow the Line By-Line instructions. They begin on page 6 and end on page 15.

Step 3

Get any forms, schedules, or publications you need. In general, we mail forms and schedules to you. Before you fill in your return, you may want to look it over to see if you need more forms or schedules.

If you think you will need any other forms, get them before you start to fill in your return. Your local bank or post office, or any IRS office, should have most of the forms you need. Ask for a blank copy on the last page of this year's instruction booklet. We will send you the forms, schedules, and publications you ask for.

Step 4

Use the mailing label from the forms booklet it went you and make sure it is correct. If it isn't, please correct it. If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order.

If you have an apartment number that is not on the mailing label, please let us know. Do not attach your label to your return until you finish filling it in and check all entries.

Filing Status

Boxes 1 through 5. Were You Single or Married? If you were single, divorced, or legally separated on December 31, consider yourself single for the whole year. State law governs whether you are married, divorced, or legally separated...
Married Persons. If you were married on December 31, consider yourself married for the whole year...
Joint or Separate Returns? In most cases, married couples will pay less tax if they file a joint return...

Line-By-Line Instructions - Form 1040

Name, Address, and Social Security Number Boxes. Please use the mailing label from the forms booklet we sent you. If you did not receive a booklet with a label, print or type your name and address...
Step 6 picks up on page 15.

If your spouse is a nonresident alien, has no social security, and does not have a social security number, please write "NRA" in the block for your spouse's social security number. If you are filing a joint return, please show the social security numbers in the same order that you show your first names. If you are filing a joint return and use different last names, please separate the last names with an "and".

Presidential Election Campaign Fund

Checking the Yes box. On a joint return, both of you may choose to have \$1 go to this fund, or both may choose not to. One may choose to have \$1 go to this fund and the other may choose not to. Do not claim this amount as a credit for contributions to candidates for public office on line 38.

Filing Status

Boxes 1 through 5. Married Persons Who Live Apart (and Abandoned Spouses). Some married persons who do not live with their husband or wife (and abandoned spouses) may file as Single or as Head of Household and use tax rates that are lower than those that apply if you spouse itemizes. This means that if your spouse itemizes, your spouse can file this way if you both meet the tests...
Married Persons Who Live Apart (and Abandoned Spouses). Some married persons who do not live with their husband or wife (and abandoned spouses) may file as Single or as Head of Household and use tax rates that are lower than those that apply if you spouse itemizes.

Name, Address, and Social Security Number Boxes

Please use the mailing label from the forms booklet we sent you. If you did not receive a booklet with a label, print or type your name and address. If you are married, give social security numbers for both you and your spouse. Whether you file a joint or separate returns.

- Peru—Lima, Peru 01000
Puerto Rico—San Juan, PR 00901
Rhode Island—Providence, RI 02901
South Carolina—Columbia, SC 29201
Texas—Austin, TX 78701
Virginia—Richmond, VA 23201
Washington—Seattle, WA 98101
West Virginia—Martinsburg, WV 26101
Wisconsin—Madison, WI 53701
Wyoming—Cheyenne, WY 82001

Step 1

Get all of your income records together. These include any Forms W-2, W-2C, W-2P, 1087, and 1099 that you may have. If you don't get a Form W-2 by January 31, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form W-2. If you don't get a Form W-2 by February 15, please contact an IRS office. If you have someone prepare your return for you, make sure they have all your income records and expense records so you can fill in your return correctly. Remember, if someone else prepares your return incorrectly—you are still responsible.

Step 2

If you plan to take tax credits or itemize deductions, get all the information and expense records you will need. Pages 13 through 18 of these instructions tell you what credits and deductions you can take. Some of the records you may need are:
• Medical and dental payment records
• Real estate and personal property tax records
• Past payment records for items such as a home mortgage and installment payments on cars or appliances.





**1D or more exemptions** and checked Form 1040, Filing Status Box 2 or 5. Also use Schedule TC, Part I, if you figure your tax using either of the methods listed below.

**Income Averaging.** Schedule G.—You may want to use this method if there has been a large increase in your income this year. If so, fill in Schedule G.

**Maximum Tax on Personal Service Income** (limited to a maximum of 50 percent). You should get Form 4726 for more information if your taxable income, or personal service taxable income, was over:

a. \$41,500 and you checked Form 1040, Filing Status Box 1. OR  
b. \$60,000 and you checked Form 1040, Filing Status Box 2 or 5. OR  
c. \$44,700 and you checked Form 1040, Filing Status Box 4.

You can't use Form 4726 if you checked Form 1040, Filing Status Box 3.

**Tax Tables**

If none of the above conditions apply to you, you MUST use the Tax Tables to find your tax.

Be sure you use the correct Tax Table. If you checked Form 1040:

- Filing Status Box 1, use Tax Table A (Single).
- Filing Status Box 2 or 5, use Tax Table B (Married Filing a Joint Return and Qualifying Widow/Er).
- Filing Status Box 3, use Tax Table C (Married Filing a Separate Return), or
- Filing Status Box 4, use Tax Table D (Head of Household).

Instructions for using the Tax Tables are at the beginning of each table. After you have found the correct tax, enter that amount on line 33. The zero bracket amount and personal exemptions have already been built into the Tax Tables for you.

**Line 36**

**Additional Taxes**

Use this line to report any of the additional taxes shown on the Checklist (see page 5) on line 36 for the taxes that apply to you. Distribution of Trusts.  
Form 4972, Special 10-Year Averaging Method.  
Form 5544, Multiple Recipient Special Use Valuation. Enter the amount of credit for purchase or construction of New Principal Residence.  
Section 77(m)(S) penalty tax. If you are or were an owner-employee, and received income from a premature or excessive distribution from a Keogh (H R. 10) plan or IRA, you must report the penalty tax. The penalty is in addition to the regular income tax. (Note: Only the credits on lines 38, 39, 40, and 45 can be used to reduce this tax.) On a separate sheet, show how you applied any of these credits. See Publication 560.

**Line 37**

**Additional Taxes**

Use this line to report any of the additional taxes shown on the Checklist (see page 5) on line 36 for the taxes that apply to you. Distribution of Trusts.  
Form 4972, Special 10-Year Averaging Method.  
Form 5544, Multiple Recipient Special Use Valuation. Enter the amount of credit for purchase or construction of New Principal Residence.  
Section 77(m)(S) penalty tax. If you are or were an owner-employee, and received income from a premature or excessive distribution from a Keogh (H R. 10) plan or IRA, you must report the penalty tax. The penalty is in addition to the regular income tax. (Note: Only the credits on lines 38, 39, 40, and 45 can be used to reduce this tax.) On a separate sheet, show how you applied any of these credits. See Publication 560.

to itemize if you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1979 and your spouse agree to be taxed on your combined worldwide income.

**Generalized, you must complete Schedule A (Itemized Deductions)** if item A, B, C, or D, applies to you. After you've completed Schedule A:

- a. If Schedule A, line 40, is more than \$2,000, do not fill in Form 1040, line 33. Go to Schedule TC instead and complete Part II to figure the amount to enter on Form 1040, line 34.
- b. If Schedule A, line 39, is more than \$1,000, enter the amount from Schedule A, line 41, on Form 1040, line 33.

**You Choose to Itemize**

You may choose to itemize your deductions if you are:

- Married and filing a joint return, or a Qualifying widower with dependent child, for whom itemized deductions are more than \$3,400.
- Married and filing a separate return, and your itemized deductions are more than \$1,700.
- Single, or a Head of Household, and your itemized deductions are more than \$2,300.

If you itemize, complete Schedule A and enter the amount from Schedule A, line 41, on Form 1040, line 33.

**Caution:** Certain taxpayers must itemize even though their itemized deductions are less than the standard deduction for their filing status. See "You MUST Itemize Deductions" above.

**You Do Not Itemize**

If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter the amount on line 34. If you MUST itemize as described above.

**Line 34**

Subtract line 33 from line 32. Remember—if you completed Schedule TC, Part II, the amount on line 34 will be the amount from Schedule TC, Part II, line 5, and line 34 will be more than line 32.

**Line 35**

**Tax**

To figure your tax, you will use either the Tax Table or Schedule TC, Part II, whichever of the conditions below to see which you should use.

**Schedule TC**

You must use Schedule TC, Part I, to figure your tax if:

- Line 34 is more than \$20,000 and you checked Form 1040, Filing Status Box 1, 3, or 4.
- Line 34 is more than \$40,000 and you checked Form 1040, Filing Status Box 2 or 5.
- You claim:
  - 4 or more exemptions and checked Form 1040, Filing Status Box 1 or 3.
  - 9 or more exemptions and checked Form 1040, Filing Status Box 4, or

**Line 35**

**Tax**

To figure your tax, you will use either the Tax Table or Schedule TC, Part II, whichever of the conditions below to see which you should use.

**Schedule TC**

You must use Schedule TC, Part I, to figure your tax if:

- Line 34 is more than \$20,000 and you checked Form 1040, Filing Status Box 1, 3, or 4.
- Line 34 is more than \$40,000 and you checked Form 1040, Filing Status Box 2 or 5.
- You claim:
  - 4 or more exemptions and checked Form 1040, Filing Status Box 1 or 3.
  - 9 or more exemptions and checked Form 1040, Filing Status Box 4, or

**Line 27**

**Interest Penalty on Early Withdrawal of Savings**

The Form 1099-INT given to you by your employer shows the amount of interest you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 27. (Be sure to include the interest income on Form 1040, line 9.)

**Line 28**

**Alimony Paid**

You can deduct periodic payments of alimony or separate maintenance payments made under a written separation agreement entered into after August 16, 1954, or a decree for support entered into after March 1, 1954. Do not deduct lump sum cash or property settlements, voluntary payments not made under a court order, or payments specified as child support. For details, get Publication 504, Tax Information for Divorced or Separated Individuals.

**Line 29**

**Disability Income Exclusion**

This exclusion is for persons who are retired on permanent and total disability. You must meet ALL these tests:

- You had not reached mandatory retirement age on January 1, 1979.
- You were under age 65 on December 31, 1979.
- You were permanently and totally disabled—
  - a. when you retired, or
  - b. on January 1, 1976, or January 1, 1977, if you retired before the later date on disability or under circumstances which entitle you to the exclusion. (Please use Form 2440, Disability Income Exclusion, to figure the amount of any exclusion. Enter the exclusion from Form 2440 on this line.)

**Line 30**

**Total Adjustments**

Add lines 23 through 29. Enter the total on this line.

**Line 31**

**Adjusted Gross Income**

Subtract line 30 from line 22. If line 31 is less than \$10,000, you may be eligible to claim the Earned Income Credit. Please see page 31. If line 31 is less than zero (\$0) you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see Form 1045. For more information, please get Publication 535, Business Expenses and Operating Losses.

**Line 22**

**Total Income**

Add the amounts in the columns for lines B through 21. Enter the total on line 22.

**Adjustments to Income**

**Line 23**

**Moving Expenses**

Employers and self-employed persons (including partners) can deduct certain moving expenses. The move had to be in connection with your job or business. You can take this deduction only if your change in job location has added at least 35 miles to the distance from your old principal work place, your new principal work place must be at least 35 miles from your former residence, or you meet these requirements, you should see Form 3903 for details. Use Form 3903 to figure the amount of moving expenses you may deduct. If you own possessions, see Form 3903F.

If your employer paid for any part of the move, you must report that as income on Form 1040, line B. Your employer should give you Form 4782 and include that amount in total wages, tips and other compensation on Form W-2.

**Line 24**

**Employee Business Expenses**

You can deduct certain business expenses that were not paid by your employer. Travel, transportation (but not commuting to and from work) and meals and lodging can be deducted on line 24 by using Form 2106 even if you do not itemize deductions on Schedule A. All other business expenses, such as uniforms, professional dues, tools, on-the-job training, salespersons' club dues, and other expenses, see Form 2106. For details, get Publication 463, Travel, Entertainments, and Gift Expenses.

**Line 25**

**Payments to an IRA (Individual Retirement Arrangement)**

Use the following worksheet to figure your deduction for payments to an IRA (including those made under a Simplified Employee Pension Plan) for 1979. Include payments made before the due date of this return (including any extensions). Do not include 1979 payments made before the due date of your 1978 income tax return and deducted on your 1978 tax return. If this is a joint return and both spouses work and both have IRAs, file Form 1040-2. See instructions separately. Enter the total of the two deductions on line 25.

**Line 27**

**Interest Penalty on Early Withdrawal of Savings**

The Form 1099-INT given to you by your employer shows the amount of interest you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 27. (Be sure to include the interest income on Form 1040, line 9.)

**Line 28**

**Alimony Paid**

You can deduct periodic payments of alimony or separate maintenance payments made under a written separation agreement entered into after August 16, 1954, or a decree for support entered into after March 1, 1954. Do not deduct lump sum cash or property settlements, voluntary payments not made under a court order, or payments specified as child support. For details, get Publication 504, Tax Information for Divorced or Separated Individuals.

**Line 29**

**Disability Income Exclusion**

This exclusion is for persons who are retired on permanent and total disability. You must meet ALL these tests:

- You had not reached mandatory retirement age on January 1, 1979.
- You were under age 65 on December 31, 1979.
- You were permanently and totally disabled—
  - a. when you retired, or
  - b. on January 1, 1976, or January 1, 1977, if you retired before the later date on disability or under circumstances which entitle you to the exclusion. (Please use Form 2440, Disability Income Exclusion, to figure the amount of any exclusion. Enter the exclusion from Form 2440 on this line.)

**Line 30**

**Total Adjustments**

Add lines 23 through 29. Enter the total on this line.

**Line 31**

**Adjusted Gross Income**

Subtract line 30 from line 22. If line 31 is less than \$10,000, you may be eligible to claim the Earned Income Credit. Please see page 31. If line 31 is less than zero (\$0) you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see Form 1045. For more information, please get Publication 535, Business Expenses and Operating Losses.

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**Line 22**

**Total Income**

Add the amounts in the columns for lines B through 21. Enter the total on line 22.

**Adjustments to Income**

**Line 23**

**Moving Expenses**

Employers and self-employed persons (including partners) can deduct certain moving expenses. The move had to be in connection with your job or business. You can take this deduction only if your change in job location has added at least 35 miles to the distance from your old principal work place, your new principal work place must be at least 35 miles from your former residence, or you meet these requirements, you should see Form 3903 for details. Use Form 3903 to figure the amount of moving expenses you may deduct. If you own possessions, see Form 3903F.

If your employer paid for any part of the move, you must report that as income on Form 1040, line B. Your employer should give you Form 4782 and include that amount in total wages, tips and other compensation on Form W-2.

**Line 24**

**Employee Business Expenses**

You can deduct certain business expenses that were not paid by your employer. Travel, transportation (but not commuting to and from work) and meals and lodging can be deducted on line 24 by using Form 2106 even if you do not itemize deductions on Schedule A. All other business expenses, such as uniforms, professional dues, tools, on-the-job training, salespersons' club dues, and other expenses, see Form 2106. For details, get Publication 463, Travel, Entertainments, and Gift Expenses.

**Line 25**

**Payments to an IRA (Individual Retirement Arrangement)**

Use the following worksheet to figure your deduction for payments to an IRA (including those made under a Simplified Employee Pension Plan) for 1979. Include payments made before the due date of this return (including any extensions). Do not include 1979 payments made before the due date of your 1978 income tax return and deducted on your 1978 tax return. If this is a joint return and both spouses work and both have IRAs, file Form 1040-2. See instructions separately. Enter the total of the two deductions on line 25.



**Underpayment of Estimated Tax.** If you underpaid your 1979 estimated tax liability for any payment period, you may owe a penalty. Get Form 2210 (Form 2210F for farmers and fishermen) to see if you meet one of the exceptions. Please attach that form to Form 1040 to show how you figured the penalty or which exceptions you believe apply.

If you own a penalty, show the amount in the space on line 66 below line 65. If you owe tax on line 66, include the penalty amount in with your payment Or, if you are due a refund, we will subtract the penalty amount from the overpayment you show on line 63. But do not decrease the amount on line 66 or increase the amount on line 63 for this penalty.

Now continue with step 6 below

## Step 6

Check your return to make sure it is correct.

## Step 7

Sign and date your return. Form 1040 is not considered a return unless you sign it. If you use must also sign it if it's a joint return.

## Step 8

Did you have someone else prepare your return?

If you fill in your own return, the space under your signature should remain blank. If someone prepares your return and does not charge you, that person should sign your return. Certain others will be responsible for your return. For example, your registrar, full-time employee or your partner in business does not have to sign. (This list is not all inclusive.) Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's section of Form 1040.

Will more than one person prepare your return, the preparer with primary responsibility for the overall accuracy of your return must sign as the preparer. If the preparer is self-employed (that is, not employed by any person or business), attach the preparer's name and title to the space for the "self-preparer" box. Partners who prepare income tax returns as members of a partnership are considered to be employees for purposes of the income tax return preparer rules only, and should not check the self-employed box in the preparer's section of Form 1040. Self-employed preparers must be self-employed for self-employment tax purposes.

If you have questions about whether a preparer is required to sign your return, please contact your payroll office. Ask about filing out a new Form W-4 to change the amount of income tax to be withheld from your wages. A working married couple may need to increase the amount of withholding on both sides of their wages; to avoid owing a large payment when filing their return.

If the amount you owe IRS is large, you may have to file a Declaration of Estimated Tax for 1980. See Should You File a Declaration of Estimated Tax, below.

Whether you go to the IRS or mail your return, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods which could reduce your withholding.

For more details, see your employer or get Publication 905, Tax Withholding and Estimated Tax.

## Step 9

**Should You File a Declaration of Estimated Tax?**  
In general, you do not have to file a 1980 Form 1040 will show a tax refund, or a tax balance due IRS of less than \$100 or more, please get Form 1040-ES. You may have to file a declaration of estimated tax.

**Address Change**  
If you move after you file your return and you are expecting a refund, you should notify the post office serving your old address. Do not file with the IRS service center for your new address until you have forwarded your check to your new address as soon as possible. Please be sure to include your social security number in any correspondence with the IRS.

## Reminders

### Penalties and Interest

a. Interest. Interest will be charged on taxes that are not paid on or before their file date, even if an extension of time to file is granted.

b. Late Filing of Return. The law provides a penalty of from 5 percent to 25 percent of the tax due for filing late unless you can show reasonable cause for the delay. If you can't show reasonable cause, attach a full explanation to your return.

c. Late Payment of Tax. The penalty for not paying tax when due is  $\frac{1}{2}$  of 1 percent of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25 percent of the unpaid amount. The penalty applies to any unpaid tax shown on a bill shown on a bill that is not paid within 10 days after the date of the bill. This 10-day period is in addition to the applicable interest charge on late payments.

Note: If you include interest or either of these penalties with your payment to the IRS on Form 1040, page 2, Do not include the interest or penalty amounts in Balance Due on line 66.

**Income Tax Withholding for 1980**  
If the amount you overpaid (line 63) or

## Instructions for Schedule A Itemized Deductions

Some taxpayers must itemize their deductions and some should itemize because they will save money. See **Who Must Itemize Deductions** and **Who Should Itemize** on page 12.

If you itemize, you can deduct part of your medical expenses, interest on debt, interest on a mortgage, casualty and theft losses, and other miscellaneous expenses. These are explained below.

If your deductions are more than 60% of the amount on Form 1040, line 31, you may be liable for the alternative minimum tax. See Instructions on page 12 for more information.

### Lines 1 through 10 Medical and Dental Expenses

Before you can figure your total deduction for medical expenses, you must complete your Form 1040 through line 31.

Only that part of your medical and dental expense that is more than 3% of your adjusted gross income on Form 1040, line 31, is deductible. However, you may deduct one-half of your medical insurance premiums, up to a maximum of \$150, without reducing that amount by 3 percent of your adjusted gross income. Include amounts you paid for hospital, medical, and extra Medicare (Medicare B) insurance. Show the amount you paid for Medicare B insurance (\$150) on line 31 of the balance on line 5. You can deduct the amount on line 1, even if you had no other medical expenses.

Only medicine and drug costs that are more than 1% of Form 1040, line 31, are deductible as medical expenses, subject to the 3% through 10 of Schedule A explanation. When you figure medical and dental expenses as part of your return, you can include medical and dental bills you paid for:

- your spouse,
- your dependent,
- all dependents you list on your return; and
- any person that you could have listed as a dependent on your return if that person had not received \$1,000 or more of gross income or had not had a joint return. For more information, see the instructions on page 12 for how to figure the support test for a dependent. You cannot list her as a dependent because she received \$1,000 of gross income during the year. If part of

your support was the payment of medical bills for her, you can include that part in your medical expenses.

Amounts paid during 1979, but do not include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance.

### Examples of Medical and Dental Expenses You CAN Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Physical therapy, birth control pills, vaccines, and vitamins your doctor told you to take.
- Medical doctors, dentists, eye doctors, gynecologists, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths the doctor ordered.
- Nursing help. If you pay someone to assist in the care of the sick, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, orthopedic shoes, crutches, wheelchairs, guide dogs and the cost of maintaining them.

- Ambulance service and other travel costs to get medical care. If you used your own car, you can figure what you spent for transportation as a part of the amount you received medical care, or you can figure costs at 3 cents a mile plus parking fees and tolls.

### Examples of Medical and Dental Expenses You CANNOT Deduct

Payments you made for the following are not deductible:

- The basic cost of Medicare insurance (Medicare A).

**Note:** If you are 65 or over and not entitled to Social Security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.

- Life insurance policies.
- The 1.05% hospital insurance benefits tax withheld from your pay as part of the social security self-employment tax.

- Nursing care for a healthy baby. (You may deduct for the child care credit; see Form 2441.)
- Illegal operations or drugs.
- Travel your doctor told you to take for rest or change.
- Funeral, burial or cremation.

**Publication 902, Medical and Dental Expenses**, has a checklist of medical expenses that can be deducted and those that can't. It also explains when you can deduct capital expenditures and special care for handicapped persons.

## Lines 11 through 16 Taxes

### Taxes You CAN DEDUCT

- State and local income taxes (line 11)
- State and local income taxes that were withheld from your salary. Also list estimated payments made under a payroll deduction plan for prior years, if you made in 1979, on a tax for a prior year, you made for 1979, or if you received a refund of (or credit for) prior year taxes in 1979, see the Instructions for Form 1040, line 11. Do not reduce your itemized deductions by this amount.

### Real Estate Taxes (line 12)

Include taxes that you paid on property you own that was not used for business. Publication 550, Tax Information for Owners of Real Estate, contains information about tax treatment of Cooperative Apartments, explain the deductions homeowners can take.

If you pay your real estate taxes as part of your mortgage payments, do not take a deduction for that amount. Deduct the taxes in the year the mortgage company actually paid them to the taxing authority.

### General Sales Taxes (line 13)

The Optional State Sales Tax Tables show how much you can deduct for your income tax. The amount on line 13 is the tax table amount the general sales tax you paid or you bought.

- A car, motorcycle, motor home, or truck. (Note: Vermont and West Virginia charge a higher sales tax for these than they do for other items. Figure how much tax you would have paid off the general sales tax rate and add only that amount to the tax table amount.)
- Automobile, motor home, boat, other motor vehicle, phone, home including mobile home (if preferred), or materials to build a home fit.

1. The tax rate was the same as the general sales tax rate, and
2. Your sales receipt or contract shows how much tax you paid.

The sales tax tables include income through \$40,000. When you figure your income, don't include the 1040-ES. This amount is available in Publication 504, line 31, plus all amounts you received that are not taxed. The instructions at the top of each page of the tables give steps to help you figure your deduction.

- State and local income taxes. You may deduct the larger amount. Include State or local selective sales or excise taxes if the rates were the same as the general sales tax rates.
- If your available income was more than \$40,000, see the example below.

**Example:** Mr. & Mrs. Green live in Virginia. Their income for 1979 was \$56,025. Their deduction for their family size (4) with income between \$38,001 and \$40,000. This amount is \$356.



- The cost of entertaining friends.
- Expenses of going to or from work.
- Educational on the job that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Fines and penalties.
- Expenses of producing tax exempt income.

For more information, see Publication 529, Miscellaneous Deductions.

### Lines 33 through 40 Summary of Itemized Deductions

If you have not already entered the totals from each group of deductions on Form 1040, line 33, do so now. Add lines 33 through 38. Enter the amount for your filing status on line 40.

#### Line 41

If line 39 is more than line 40, subtract line 40 from line 39 and enter the result on line 41, line A, and on Form 1040, line 33.

Note: You will receive the full benefit of your itemized deductions because the zero bracket amount you entered on line 40 has been built into the tax tables and tax rate schedules for you.

## Instructions for Schedule B

### Interest and Dividend Income

#### Purpose

Use Schedule B to list interest and dividend income that you report on Form 1040. You must include all interest and dividends that you receive from sources other than the Schedule B if you:

- Had more than \$400 in dividends.
- Had a foreign account, or
- Were a grantor of, or transferor to, a foreign trust.

Please follow the instructions below.

#### Part I

##### Interest Income

To see what interest income you must report, read the instructions for Form 1040, line 9, on page 9. The payer will usually send you a Form 1099-INT or similar statement showing interest you

### Lines 30 through 32 Miscellaneous Deductions

**Miscellaneous Expenses You Can Deduct** are expenses for business use of part of your home only if that part is used exclusively and continuously in connection with your employer for the convenience of your employer.

**Publication 587**, Business Use of Your Home, will give you detailed information. **Educational Expenses.** Generally, you can deduct what you paid for education required by your employer, or by law or regulations, to keep your present salary or position. You can also deduct the cost of maintaining or improving skills you must have in your present position.

Some educational expenses cannot be deducted. Among them are expenses for study that helps you meet minimum requirements for your job, or qualifies you to get a new job. Also, do not deduct the cost of attending school, line 27, and on Form 1040, line 33.

**Gambling Losses.** You can deduct gambling losses, but not more than the gambling winnings you reported on Form 1040, line 21.

**Employee Expenses.** Examples of the expenses you can deduct (if you were not reimbursed for them) are:

- Uniforms (line 30).
- State dues (line 30).
- Unions, your employer said you must wear away from work, usually wear away from work.
- Protective clothing, such as hard hats and safety shoes.
- Physical examinations your employer said you must have.
- Dues, to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to get a new job in your present trade or profession.

**Expenses of Producing Income.** You can deduct what you paid to produce or collect taxable income, or to manage or protect property held for producing income.

- Examples of these expenses are:
  - Safe deposit box rental.
  - Certain legal and accounting fees, including amounts you paid in 1979 to banking returns prepared.
  - Clerical help.
  - Office rent.
- Custodial (e.g. trust accounts) fees.

##### Miscellaneous Expenses You CANNOT Deduct

- Examples of expenses you cannot deduct are:
  - Political contributions (but see instructions for Form 1040, line 38).
  - Legal fees for personal matters.
  - Lost or misplaced cash or property.
  - Expenses for meals during regular or extra work hours.

**Groups that are run for personal profit.** Groups whose purpose is to lobby for changes in the laws.

**Choir leagues, social and sports clubs, labor unions, and chambers of commerce.**

### Lines 25 through 29 Casualty and Theft Losses

Use these lines to report casualty or theft losses of property that is not trade, business, rental or royalty property. Use the following worksheet, if you had only one casualty or theft during the tax year and only one item was lost or damaged.

1. Cost or other basis.
2. Fair Market Value of property before casualty or theft.
3. Fair Market Value of property after casualty or theft.
4. Subtract line 3 from line 2.
5. Enter line 1 or line 4, whichever is smaller. Also enter on Schedule A, line 25.

**Use Form 4688** in the following cases:

- You had more than one casualty or theft during the tax year.
- You had more than one item lost or damaged by casualty or theft.
- You had a gain from casualty or theft.

**Losses You CANNOT Deduct**

- Money or property you misplaced or lost
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

#### Losses You CAN Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat and other accidents or similar causes.

#### How to Deduct These Losses

On line 25, enter the amount paid by insurance for your loss.

Next, on line 26, enter the amount you deduct. The difference on line 27 if the amount is \$100 or less, you cannot deduct the casualty or theft loss.

On line 28, enter \$100 or the amount on line 27, whichever is smaller.

To figure your casualty or theft loss, subtract the amount on line 28 from line 27. Enter the result on line 29.

Use line 31 of Schedule A to deduct the costs of proving that you had a property loss (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss).

For more information on Schedule A Tax Information on Disasters, Casualty Losses, and Thefts, it also gives information about Federal disaster area losses.

If you contributed to a charitable organization and also received a benefit from it, you can deduct only the amount that is over the benefit.

If you do not know whether you can deduct what you gave to an organization, check with that organization or an Internal Revenue Service office.

### Contributions You Can Deduct

Contributions can be cash, checks, money orders, property, or out of pocket expenses you paid to volunteer work for the kinds of organizations described above. If you give to and from the volunteer work, figure your expenses at 8 cents per mile or deduct any amounts that attach to (you gave property, attach a description of it. Include the date you gave the property, and show how you figured its value. Attach a signed copy of an appraisal for gifts worth more than \$200, and for income property include in the description of each gift.

A. Any conditions attached to the gift.

b. How you got the property.

c. The cost or other basis of the property it.

1. you owned it less than 5 years, or
2. you made it less than the contribution on Form 706, and the property had a value that would have resulted if the property had been sold at its fair market value.
3. How you figured your deduction if you chose to report your deduction for contributions of capital gain property (you gave used clothing or furniture, you gave a beam, Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

In some cases, you can deduct amounts you spent to take care of a student in your home. However, you must have a written educational institution.

Special rules apply if your contributions are more than 20 percent of Form 1040.

If you gave gifts of property that increased in value, made bargain sales to charity, or gave gifts of the use of property, other rules apply.

#### Publications 526, Charitable Contributions

#### Contributions You CANNOT Deduct

- Political contributions (but see instructions for Form 1040, line 38).
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Costs of rifle, bingo, or lottery tickets.
- Tuition to a private school.
- The value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally until the entire interest has been transferred)
- Gifts to:
  - a. Individuals.
  - b. Foreign organizations.

membership fees, loan fees, credit investigation fees, etc. (line 18).

Revolving charge accounts. Deduct any finance charge a retailer sends added if the charges are based on your monthly unpaid balance (line 19).

Loans on which you borrowed money, or borrowed from a bank, a credit union, or another person.

Loans on which you paid the interest in cash.

Installment contracts on personal property, such as cars and televisions.

Taxes you paid late. Show only the interest, do not include any amount that is considered a penalty. If the tax is deductible, show it under Taxes (line 11 through 16 of this schedule).

Loans on investment property. Report through Line 12 of this schedule.

Loans on which you borrowed money from a lender or other person. Report on line 19 (if your total investment interest is more than \$10,000, \$5,000 if married filing a separate return). You may have to complete Form 4952, Investment Interest Expense Deduction, to figure your correct deduction. Also see Publication 530, Investment Income and Expenses.

#### Interest Expense You CANNOT Deduct

- Tax exempt income. This includes interest on money you borrowed to buy or carry wholly tax exempt securities.
- Interest on a loan you report on the cash basis.
- A debt to buy a single premium life insurance or annuity contract.
- Any kind of business transaction. Use Schedule C, E, or F to report business interest expenses.

For more information, please get Publication 545, Interest Expense.

### Lines 21a through 24 Contributions

You can deduct what you gave to organizations that are religious, charitable, educational, scientific, or literary in character. The contribution must be made to an organization that work to prevent cruelty to children or animals.

**Examples of these organizations are:**

- Churches, temples, synagogues, mosques, and other religious organizations.
- Boy Scouts, Girl Scouts, Boys Club of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' groups and certain cultural groups.

Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, multiple sclerosis, muscular dystrophy, and tuberculosis

Federal, State and local governments if the gifts are exclusively for public purposes.

For each \$5,000 or part of \$5,000 in excess of \$40,000, the deduction is increased by the amount on the schedule (line 13). The maximum amount for your family is \$40,000. The maximum amount for each individual is \$7,500. So, they increase their sales tax deduction by (\$18x4) = \$72.

The total sales tax deduction is (\$356 + \$72) = \$428. The Greens then decide if this figure is larger than their 1979 tax liability. If it is, they can deduct it. The Greens enter the larger figure on Schedule A, line 13.

### Personal property taxes (line 14)

This tax should be based on the value for the registration of your car was based on the car's value, and part was based on its weight, you can deduct only the part based on value.

#### Other (line 15)

If you had any nondeductible tax not listed on Schedule A, lines 11 through 14 (such as foreign income tax), describe the tax and show the amount on line 15.

If you have any other nondeductible tax on line 15, you must use it if U.S. possessions, you may want to list it as a credit instead of a deduction. Please see Publication 514, Foreign Tax Credit for U.S. Citizens and Resident Aliens

#### Taxes You CANNOT Deduct

- Federal income tax
- Social security tax (FICA).
- Railroad retirement tax (RRTA).
- Federal excise tax on personal property, transportation, telephone, and so on.
- Customs duties
- Federal estate and gift taxes, including:
  - a. Tax on gasoline.
  - b. Tax on tires.
  - c. Tax on liquor, beer, wine, cigarettes, and tobacco
- Assessments for sidewalks or other improvements to your property.
- Taxes paid for your business or profession (Use Schedule C, E, or F of Form 1040 to report business expenses.)
- License fees (marriage, drivers', dog-hunting, etc.)

### Lines 17 through 20 Interest Expense

You should show on Schedule A interest on nonbusiness items only.

In general, a cash basis taxpayer who in 1979 paid interest that includes amounts that apply to any period after 1979, can deduct only the amount for 1979.

#### Interest Expense You CAN Deduct

- Your home mortgage (line 17).
- Bank and other general purpose credit cards. Deduct the finance charge as interest if no part of it was for service charges,

must report, if the total interest is over \$400, in Part I AND Part III of this schedule.

**Line 1** Report all interest that you received or that was credited to your account so you could withdraw it. On this line list the name of each payer. Next to each name, show the amount of interest.

**Line 2** Add up all the interest and enter it on this line except as noted below in **Nonmonee and Accrued Interest**. Also enter it on Form 1040, line 9.

**Nonmonee and Accrued Interest** When you receive interest, you must report the dates and you pay accrued interest to the seller, this amount is taxable interest to the seller.

On line 1, all interest received, including interest you received as a nominee or as a purchaser of a bond with a 2, enter a subtotal of all interest income listed on line 1. Below this subtotal, write "Nonmonee Distribution" or "Accrued Interest" as appropriate and enter the interest amounts you paid to others. Subtract these amounts from the subtotal, and enter the result on line 2.

**Part III Foreign Financial Accounts and Foreign Trusts**

Fill in this part if you completed Part I or Part II, if you had a foreign account or if you were the grantor of, or transferee to, a foreign trust.

Check the **Yes** box if either 1, 2 below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country. Exception: Check No if any of the following apply to you.

2. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country. Exception: Check No if any of the following apply to you.

3. The accounts were with a U.S. military banking facility operated by a U.S. financial institution.

4. You are an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the account you own or control is a personal financial interest in the account.

5. You are an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than \$1 million and 500 shareholders.

6. The account is in your name, your account is in your employer's name, you do not have a personal financial interest in the account; and the chief financial officer of the corporation has given you written notice that the corporation has filed a current report that includes the name of the account.

7. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

8. Get Form 90-22, 1 to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account.

If you checked **Yes** for question A, file Form 90-22 by June 30, 1980, with the Department of the Treasury at the address shown on the form. Form 90-22, 1 is not a tax return, so do not file it with the IRS. But be sure to file your Form 1040 with the IRS.

**Question B** If you checked **Yes** for question B, file Form 90-22, 1 (see many copies of the instructions for the IRS forms distribution center for your State, as shown on the inside back cover.

**Question C** Check the **Yes** box if you were a grantor of or a transferee to a foreign trust that existed during the tax year.

**Part II Dividend Income**

To see what dividend income you must report, read the instructions for Form 1040, line 10a, on page 9.

The payer will usually send you a Form 1099-DIV or similar statement showing dividends you must report on the total amount of \$400. In this part, list the **Line 1 AND Part III** of this schedule.

**Line 3** Report all of your dividend income on this line, 3, and those amounts. Enter the total on this line.

**Line 4** Add the amounts you listed on line 3, except as noted below in **Nonmonees**. Enter the total on this line.

**Line 5** If you listed any capital gain distributions on line 3, and those amounts. Enter the total on this line.

**Line 6** Enter the total of your nonmonee distributions on this line.

**Line 7** Add lines 5 and 6. Enter the total on this line.

**Line 8** Subtract line 7 from line 4. Enter on line 8 and on Form 1040, line 10a. (Be sure to take your exclusion on line 10b.)

## Instructions for Schedule D Capital Gains and Losses

**Purpose**

Use Schedule D (Form 1040) to report the sale or exchange of a capital asset. See the definition of "capital asset" below.

In certain cases you may have to use Form 4797, Supplemental Schedule D, to report the sale or exchange of a capital asset. Use Form 4797 to report any of the following:

- The sale, exchange, or involuntary conversion (such as casualty or theft) of amortizable property, and certain oil and gas property.
- The involuntary conversion (such as casualty or theft) of certain capital assets.
- The disposition of other noncapital assets that are not reported above.

It is a tax return filing requirement because of a casualty or theft, you may use Form 4684, Casualties and Thefts, instead of Form 4797, Part I, Section A.

**Capital Asset**

Most property you own and use for personal purposes, pleasure, or investment is considered a capital asset. Examples include house, furniture, car, and stocks and bonds are capital assets.

A transfer of parent rights is generally considered a sale or exchange of a capital asset.

A nonbusiness bad debt must be treated as a short term capital loss.

A capital asset as defined by law is any property held by a taxpayer except the following:

- Stock in trade or other property included in inventory or held for sale to customers.
- Accounts or notes receivable you received for services in the ordinary course of your trade or business or from services you performed as an employee.
- Depreciable property used in your trade or business even if it was fully depreciated.
- Real property (real estate) used in your trade or business, mineral or similar composition, letter, memorandum, or artistic property.
- Created by your personal efforts, or prepared or produced for you (in the case of a letter, memorandum, or artwork).
- That you received from a taxpayer mentioned in 1, or 2, in a way (such as by gift) that entitled you to the basis of the previous owner.

If U.S. Government publications (including IRS notices or by writing to the IRS forms distribution center for your State, as shown on the inside back cover, that you got from another taxpayer who bases his return on the same way if your basis is determined by reference to the previous owner.

**8:** Certain government obligations issued at a discount on or after March 1, 1941,

payable without interest, and maturing at least one year from the date of issue.

**Short-Term or Long-Term**

When you list your capital gains and losses, separate them according to how long the property was held. The holding period for long term capital gains and losses is more than one year. For commodities futures contracts (but not for other futures contracts), the holding period for long term gains and losses is more than 6 months.

To figure the holding period, when you figure the length of the period you held the property, you must count on the day after you got the property, and include the day you disposed of it.

For rules on nontaxable exchanges, gifts of property, and inherited property, see the instructions for Schedule D, Other Dispositions of Assets.

**Limits on Capital Losses**

The limit on capital losses that can be used to offset other income is \$3,000. If you have a net capital loss, the limit is \$1,500.

**Losses That Are Not Deductible**

Do not deduct a loss from the sale or exchange of property directly or indirectly to:

- Members of a family.
- A corporation and an individual or the corporation's stock (not counting the corporation's stock of a trust).
- A grantor and a fiduciary of a trust.
- Same trust.
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.

An individual and a tax exempt organization controlled by the individual are treated as one person.

A partnership and a partner owning directly or indirectly, more than 50 percent of the capital interest, or profits interest in the partnership (other than a sale or exchange of an interest in the partnership).

**Items of Special Treatment and Special Cases**

The following items may require special treatment:

- Transactions by a securities dealer.
- Wash sales of stock or securities.
- Bonds and other evidence of indebtedness if an original issue discount.
- Certain real estate subdivided for sale.
- Distributions received from an employee pension, profit-sharing, or annuity plan.
- Special 10-Year Averaging Method of Form 5544, Multiple Recipient Special 10-Year Averaging Method.

Gain on the sale of depreciable property (other than a partnership interest) between shareholder and a controlled corporation treated as ordinary gain.

- Gain on disposition of stock in a domestic international sales corporation.
- Gain or loss on options to buy or sell, including closing transactions.
- Transfer of property to a foreign

corporation as paid in surplus or as a contribution to capital, or to a foreign trust or partnership.

- Transfer of property to a partnership which would be treated as an investment company if the partnership were a corporation.
- If you dispose of an asset used in an activity to which the "at risk" rules apply (see section 465 of the Code), you must report the disposition of the asset with the profit or loss from the activity on the "at risk" provisions.

Two publications you should find useful are **Dispositions of Assets, and Publication 550, Investment Income and Expenses**.

**Transfer of Appreciated Property to a Political Organization**

If you make property to a political organization, the value of the property is more than your adjusted basis, treat the transaction as a property sale on the transfer date. Report the time of the transfer as the sales price. Ordinary income or capital gains provisions apply as if a sale took place.

**Exchange of Like Kind Property**

When business or investment property is exchanged for property of a like kind, no gain or loss is recognized. However, you must report the transaction on Schedule D or Form 4797, whichever applies.

**Sale or Exchange (Other Than by Casualty or Theft) of Capital Assets Held for Personal Use**

This type of gain is a capital gain. Report it on Schedule D, Part I or Part II. Loss is not deductible.

**Small Business Stock**

Subject to limitations, you may deduct the loss on the sale, exchange, or worthlessing of small business stock. However, gains are reported as capital gains on Schedule D (Form 1040).

**Disposition of Partnership Interest**

A sale or other disposition of interest in a partnership may result in ordinary income. Please see Publication 541, Tax Information on Partnerships and Publication 544, Sales and Other Dispositions of Assets.

**Long-Term Capital Gains From Regulated Investment Companies**

Include in income as long-term capital gain the amount(s) shown on Form 2439 investment company. Enter the tax paid by the company as shown on Form 2439 on Form 1040, line 61. Add to the basis included in income over the credit.

**Sale of Personal Residence**

Report a taxable gain from the sale of your home on Schedule D (Form 1040). A loss from such sale is not deductible.

Use Form 2119, Sale or Exchange of Personal Residence, as Adjusted Basis, as General, the cost or adjusted basis is the cost of the property plus improvements and minus depreciation, amortization,

**Personal Residence**, to report the sale of your home within 18 months before or after the sale, you purchase another principal residence and use it as such; or

b. before the sale or within 18 months after the sale, you begin construction of a new principal residence on the lot within 18 months before and 2 years after the sale.

Also use Form 2119, if you sold or exchanged your residence, were 55 or over before the disposition, were 55 or over after the disposition, and you agree and elect to exclude your residence but thinking of replacing your residence but have not done so, see Publication 523, Information on Selling or Buying Your Home.

**Installment Sales**

You may be able to use the installment method to report gain on the sale of real property. To qualify as an installment sale, there must be one or more payments in each of two or more tax years.

If you elect the installment method, you must report the gain on the "Installment Sale Computation" on Form 4797.

For more information, please get Publication 537, Installment and Deferred Payment Sales.

**Investment Interest Expense Deduction Adjustment**

These instructions apply only if there is an entry on Form 4952, Investment Interest Expense Deduction, line 25, and Form 4798, Part I, lines 8 and 9) both show a gain.

If so, part of Form 4952, line 22 will be treated as ordinary income.

The smallest of:

- the amount on Form 4952, line 22; or
- the amount on Schedule D, line 20 (for Form 4798, Part I, line 9); or
- the amount on Schedule D, line 21 (for Form 4798, Part I, line 9).

Enter this amount in the margin to the right of Schedule D, line 20 (for Form 4798, Part I, line 8), identify by writing "Investment Interest Expense Adjustment" in the ordinary income from the gains on Schedule D, lines 20 and 21 (for Form 4798, Part I, lines 8 and 9). In addition, Supplemental Schedule of Gains and Losses, Part II, line 10. If you do not use Form 4797 for other transactions, enter it on Form 1040, line 16, and identify it in the margin as "Form Form 4952."

**Specific Instructions**

**Column d**

**Sales Price Less Expense of Sale**

Enter in this column the selling price of the property sold. Reduce this by any expense of sale such as broker's fee, commission, etc.

**Column e**

**Cost or Other Basis, as Adjusted**

In general, the cost or adjusted basis is the cost of the property plus improvements and minus depreciation, amortization,

Part II

Rent and Royalty Income or Loss

Generally, you should use this part to report rents from property you own or control. This includes room and other space rentals. However, if you provided space to a tenant, if you provided a dwelling unit to a tenant, if you provided a dwelling unit to a tenant, if you provided a dwelling unit to a tenant...

Line 3

On this line enter the amount you do not report as income. You do not report as income amounts you contributed and any amounts reported as income.

Line 4

Subtract line 3 from line 2. Enter the result on this line. If you will not use Parts II and III to report a net loss, enter the amount on Form 1040, line 18.

'At Risk' Rules

Generally, the special "at risk" rules of Section 465 of the Internal Revenue Code (other than mineral property). The "at risk" rules may apply to a member of a partnership or joint venture, shareholder of an estate or trust, or lessor of certain property (other than real estate). The "at risk" rules apply if you have a loss from an activity carried on as a trade or business. Generally, the amount you have "at risk" is limited to the loss you can deduct for any tax year.

Line 5

Do not deduct the value of your own contributions, including your own contributions, to the activity for which you are reporting the loss. Your "at risk" amount does not include the proceeds from your share of any nonrecourse loan used to finance the activity or your "at risk" amount.

Line 6

Enter the total amount of income, expenses, deductions, and credits for each activity used in, or your interest in (either total or partial) an activity to which the "at risk" rules apply (see section 465 of the Internal Revenue Code). Do not include the profit or loss from the activity to determine your net profit or loss. It may be negative.

Line 7

Enter the total amount you contributed to your pension or annuity on this line. If you started receiving pension or annuity payments in 1979, enter zero. If you started receiving payments before 1979, please see Form 4972, Special 10-Year Averaging Method, or Form 5544, Multiple Retirement Savings, for separate instructions. For more information, please see Publication 575.

Line 8

Enter the total payments you received in 1979.

Line 9

Enter the total amount of income, expenses, deductions, and credits for each activity used in, or your interest in (either total or partial) an activity to which the "at risk" rules apply. Do not include the profit or loss from the activity to determine your net profit or loss. It may be negative.

You may be able to "roll over" your contributions to another individual retirement account (IRA) tax free. For more information, please see Publication 590, Tax Information on Individual Retirement Arrangements.

Death Benefit Exclusion

You may be entitled to a death benefit exclusion of up to \$5,000 if either of the following applies: (1) you are a decedent who received no retirement pension or annuity payments, or

(2) you are the beneficiary of a decedent who received disability income payments that were not reported as pension or annuity income. Note: If death benefits are paid as a pension or annuity, the death benefit exclusion may be added to the consanguinity paid in the amount of income to report on Publication 575.

Disability Payments and Annuity Payments

Your disability payments may not be taxable if you meet certain tests about your disability. Your disability payments are permanently and totally disabled, etc. See Publication 575 for more information.

Specific Instructions

Note: If you are reporting income from more than one pension or annuity using the rollover method, you must refer to Schedule E listing the information combined total of the taxable parts on Schedule E, line 4.

Line 1a

Check Yes or No. If you checked No, skip to line 2. If you checked Yes, go to line 1b.

Line 1b

Check Yes or No. If you checked No, skip to line 2. If you checked Yes, go to line 1c.

Line 1c

Enter the total amount you contributed to your pension or annuity on this line.

Line 1d

If you first started receiving pension or annuity payments in 1979, enter zero. If you started receiving payments before 1979, please see Form 4972, Special 10-Year Averaging Method, or Form 5544, Multiple Retirement Savings, for separate instructions. For more information, please see Publication 575.

Line 2

Enter the total payments you received in 1979.

b. You will get back the full amount you contributed in 3 years or less beginning on the date you receive the first pension or annuity payment. For more information, please see Publication 590, Tax Information on Individual Retirement Arrangements.

Death Benefit Exclusion

You may be entitled to a death benefit exclusion of up to \$5,000 if either of the following applies: (1) you are a decedent who received no retirement pension or annuity payments, or

(2) you are the beneficiary of a decedent who received disability income payments that were not reported as pension or annuity income. Note: If death benefits are paid as a pension or annuity, the death benefit exclusion may be added to the consanguinity paid in the amount of income to report on Publication 575.

Disability Payments and Annuity Payments

Your disability payments may not be taxable if you meet certain tests about your disability. Your disability payments are permanently and totally disabled, etc. See Publication 575 for more information.

Specific Instructions

Note: If you are reporting income from more than one pension or annuity using the rollover method, you must refer to Schedule E listing the information combined total of the taxable parts on Schedule E, line 4.

Line 1a

Check Yes or No. If you checked No, skip to line 2. If you checked Yes, go to line 1b.

Line 1b

Check Yes or No. If you checked No, skip to line 2. If you checked Yes, go to line 1c.

Line 1c

Enter the total amount you contributed to your pension or annuity on this line.

Line 1d

If you first started receiving pension or annuity payments in 1979, enter zero. If you started receiving payments before 1979, please see Form 4972, Special 10-Year Averaging Method, or Form 5544, Multiple Retirement Savings, for separate instructions. For more information, please see Publication 575.

Line 2

Enter the total payments you received in 1979.

Line 23b (iii)

(or Form 4798, line 30c) Taxable Income, as Adjusted. Figure your taxable income as adjusted by the following:

- 1. \$2,300 if you are filing as single or head of household
2. \$3,400 if you are married and filing jointly or if you are a qualifying widow(er) filing separately. Also add \$1,700 if you are married and filing separately.

Part IV

Complete this part if lines 20 and 21 show a gain and there is a net gain on line 7 or if you have pre-1970 capital loss carryovers to 1979.

Instructions for Schedule E Supplemental Income

Purpose

Use Schedule E to report income (or loss) from pensions and annuities, rents and royalties, partnerships, estates and trusts, and small business corporations.

Part I Pension and Annuity Income

Note: For more information about pension and annuity income, see Publication 575, Pension and Annuity Income. Generally, you must use Schedule E to report pension and annuity income if you received in 1979 is not fully taxable. There are three methods of reporting your pension or annuity income.

Method 1

The pension or annuity payments you receive are fully taxable if:
• You did not make any contributions (including contributions withheld from your salary) to your pension or annuity, or
• You got back your entire contribution. Report the total amount of income on Form 1040, line 17. You do not have to report this pension or annuity income on Schedule E.

Method 2

The pension or annuity payments you received may not be taxable until a later year if you and your employer contributed, and

and depletion. If you inherited the property, you should use this part to report exchange, involuntary conversion, or "wash" sale of stock. You may not be able to use the actual cash cost as the basis.

If you do not own your basis, please attach to Form 1040, line 18, a statement showing the amount of the gain or loss. When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. Also adjust your basis for any stock splits.

The basis of property acquired by gifts is the basis of the property in the hands of the donor plus any gift taxes paid on the gift. For gifts made after December 31, 1976, the value of the gift is added on to the basis of the property in the hands of the donor.

Line 5

Enter the amount from your 1978 Schedule D (Form 1040), line 41 or 1978 Form 4798, Part II, line 14.

Lines 7 and 13

If the information you receive from the entity shows one amount for gain or loss, use that amount. If you receive two amounts for gain or loss, you must make a side calculation to figure your net short-term gain or (loss) from more information. See Publication 544.

Separate your short-term capital loss from long-term capital loss. Also reduce line 5 by your short-term capital loss carryover from transactions after 11/1/78 and from transactions after 10/31/78.

Reduce line 7 by your short-term capital loss carryover from transactions after 11/1/78 and from transactions after 10/31/78.

Reduce line 13 by your long-term capital loss carryover from transactions after 11/1/78 and from transactions after 10/31/78.

Long-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1978 Schedule D (Form 1040), line 47 or 1978 Form 4798, Part II, line 26. Note: If you used Form 4798 in 1978 and had an entry in Part II, lines 17 or 23, of your 1978 Schedule D, Parts III or V,

Instructions for Schedules R and RP

Credit for the Elderly

Some elderly people can pay less tax by using a tax credit... The credit is available no matter how long you worked... If a nonresident alien can take the credit a, he or she is married to a U.S. citizen or resident, and, b. the couple choose to file a joint return and be taxed on their worldwide income.

Figuring the Credit

If you want us to, we will figure your credit for you... Some of the things we will figure are: a. your gross income, b. your adjusted gross income, c. your tax, and d. your credit.

Check This Table

Table with 2 columns: Complete Schedule R if you are: and And received non-taxable pensions (social security, etc.) of less than: Values range from \$2,500 to \$17,500.

Complete Schedule R if you are:

Single (this includes Head of Household or Surviving Widower) with Depend-ent Child) under 62 \$2,500 \$12,500 under 65 \$2,500 \$15,000 both are 65 or over \$3,750 \$17,500 Married filing a separate return \$1,875 \$ 8,750

And received non-taxable pensions (social security, etc.) of less than: Or had earned in-come (wages, salaries, etc.) of less than: \$2,500 \$3,400 \$2,500 \$3,950 \$1,875 \$2,775 \$1,875 \$3,325

Small Business Corporations

If you are a shareholder in a small business corporation that elected to have its current taxable income taxed to its stockholders, you should report:

- Actual dividend distributions (whether taxable as ordinary income or long-term capital gain on Schedule B, Part II, line 6 and the long-term capital gain on Schedule B, Part II, line 5, and the long-term capital gain part on Schedule D).
Constructive dividends reported to you on Schedule K-1 (Form 1120S) taxable as ordinary income or (loss), in Schedule E, Part III.

Part III Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations

If you are a member of a partnership or joint venture, include in this part your share of the partnership income (whether you received it or not) or net loss for the partnership tax year that ends during the year covered by your return. Do not fill out this part, unless you have a share of income, credits, deductions, etc.

Part IV Specific Instructions

Line 19

Enter on this line your share of: partnership gross income, and fiduciary taxable income, and gross farm rents as shown on Form 4835.

Part III Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations

If you are a beneficiary of an estate or trust, you should report your taxable part of the income (whether you received it or not) as follows: Dividends from qualifying domestic corporations—enter on Schedule B (Form 1041) from all sources the \$400 or less, enter the total on Form 1040, line 10a and do not list them on Schedule B.

Part IV Specific Instructions

Line 6a

You may elect to amortize rehabilitation expenditures or take accelerated depreciation for certain certified historic structures. Section 191 allows amortization to be figured over a period of 60 months. Use the straight-line method of depreciation if your substantially rehabilitated a certified historic structure.

Line-by-Line Instructions for Schedule R

Boxes A-D

Filing Status and Age

The largest amount you can use to figure the credit is based on your filing status and age. If you are married, you must file with your spouse as either Head of Household and Qualifying Widow(er) with Dependent Child. Check only one box.

Line 1

Enter the amount for the box you checked.

Line 2a

Report pensions and annuities that are not taxed. Do not include amounts you received from workers' compensation, insurance, damages, etc., for injury or sickness. Include payments you received from a pension plan if you received a medicare premium.

Line 2b, c, d, and e

Use these lines if your adjusted gross income is more than the amount printed on line 2c. For the box that you checked: Railroad retirement (but not supplementary annuities), Social Security (before deduction of medicare premiums), Disability pensions (but not military disability pensions), A matured U.S. Government life insurance endowment contract (after you subtract all amounts you paid for the contract).

Line 3

Add lines 2a and 2e. Put total on line 3. If the amount on line 3 is more than the amount on line 1, you cannot take the credit; do not complete Schedule R.

Line 4

Subtract line 3 from line 1. This is the amount you use to figure your credit.

Line 5

Multiply line 4 by 15% (.15) and enter the result on line 5.

Line 6

Enter the tax from Form 1040, line 37. If the credit is zero, you cannot take the credit; do not file Schedule R.

Line 7

Enter the amount from line 5 or line 6, whichever is less. This is your credit for the 1980, line 39.

Line-by-Line Instructions for Schedule RP

Name of Public Retirement System

Be sure to enter your name and social security number at the top. Name of Public Retirement System for the name of the public retirement system of the spouse under 65. If both you and your spouse are under 65 and receive income from a public retirement system (other than Social Security and your retirement system), identify the husband's and your retirement system with an (H) and the wife's with a (W).

Line 2a

Enter the amount from line 5 or line 6, whichever is less. This is your credit for the 1980, line 39.

Line 3

Add lines 2a and 2e. Put total on line 3. If the amount on line 3 is more than the amount on line 1, you cannot take the credit; do not complete Schedule R.

Line 4

Subtract line 3 from line 1. This is the amount you use to figure your credit.

Line 5

Multiply line 4 by 15% (.15) and enter the result on line 5.

Line 6

Enter the tax from Form 1040, line 37. If the credit is zero, you cannot take the credit; do not file Schedule R.

Line 7

Enter the amount from line 5 or line 6, whichever is less. This is your credit for the 1980, line 39.

in the year you collect it unless you use the bad debt reserve method. For more information, please see Publication 548, Deductions for Bad Debts.

**Line 10 Car and Truck Expenses** You can deduct the actual cost of running your car or truck or the fixed mileage allowance. If you use more than one car or truck in your business, if you deduct actual cost, show depreciation on line 13. If you use the mileage for each mile 15,000 miles and 10 cents amount your parking fees and tolls. For cars that have been or are considered to be used for business, use a 10-cent a mile for all business mileage.

You can change methods of figuring your cost from year to year. But you must use the same method each year. If you claim depreciation and did not use the straight line method, or if you claimed additional first year depreciation.

**Line 12 Depletion** Enter your total depletion for depletion on this line. If you claim a deduction for timber depletion, please attach Form T.

**Line 13 Depreciation** You can deduct a reasonable allowance on a straight line basis for the depreciation of property used in a trade or business, or property held for the production of income. The allowance does not apply to stock, in trade, inventories, land, or water. You can enter all items separately or group similar assets as one item when filing in Schedule C-59. Depreciation information on depreciation on public information and special rules. Publication 534, Depreciation, also contains helpful information.

Note: You can deduct first year depreciation on a car or truck from 31 sources up to a total of \$2,000 if married, or \$1,000 if single.

**Line 15 Employee Benefit Programs** Enter the amount of your contributions that are not an incidental part of a pension or profit sharing plan included on line 22. Also include your contributions to insurance, health, and welfare programs.

**Line 18 Interest on Business Indebtedness** If you paid interest for years after 1979 deduct only the part you paid for 1979. For interest you paid or accrued on debts from buying or carrying investment property, deduct this interest on Schedule C, line 22. For more information, see Publication 545, Interest, E, press.

**Line 22 Pension and Profit-Sharing Plans** You should enter the amount you claim for pension, profit sharing, or annuity plan, or for the benefit of your employees. If the plan includes you as self-employed person, you should enter contributions that you made, including any voluntary contributions you made as an employee on Form 1040, line 26, instead of on Schedule C, line 22. For filing requirements, see instructions for Form 1040, line 26, on page 11.

**Part I Income**

(Lines 1 through 5)

**Line 1a Gross Receipts or Sales** Enter gross receipts or sales from your business. If you use the installment method of reporting sales income, please attach Schedule C showing gross sales, cost of goods sold, gross profit, percentage of gross profits to gross sales, amounts collected, and gross profits on amounts collected.

**Line 2b Returns and Allowances** You should enter on line 2b such items as returned sales, rebates, and allowances from the sales price.

**Line 2 Cost of Goods Sold and/or Operations** Cost of goods sold. If you engaged in a trade or business in which the production, purchase, or sale of merchandise in an inventory is a major part of your business, inventories must be taken into account at the beginning and end of your tax year. Enter the amount from Schedule C-1.

**Line 4 Other Income** Include finance reserve income, scrap sales, amounts recovered from bad debts, and other income from the business or profession.

**Part II Deductions**

(Lines 6 through 33)

**Line 7 Amortization** You may amortize the cost of pollution-control facilities, on the job training facilities, rehabilitation of certified historic buildings, and other amortizable assets during a 60-month period instead of taking the depreciation deduction. You may also amortize amounts you paid for research, experiments, and a class of intangible property over a period of at least 60 months.

**Line 8 Bad Debts from Sales or Services** Include debts and partial debts arising from sales or services that were included in your gross receipts but were not collectible. Instead of this, you may deduct a reasonable amount that was added during the tax year to a bad debt reserve on Schedule C, line 22. For filing requirements, see instructions for Form 1040, line 26, on page 11.

cash, property, or services). Also show deductible expenses. Income is constructive if you have a right to your income or set aside for you to use.

**Item F Valuation Methods** Your inventories can be valued at: cost; cost or market value, whichever is lower; or any other method approved by the Commissioner of Internal Revenue.

**Item H Business Use of Your Home** Within certain limits, you may deduct business expenses for the use of your home only if that part is exclusively used on a regular basis:

- a. as your principal place of business, or as a place of business used by your patients, clients, or customers in meeting or dealing with your normal course of business; or
- b. in connection with your trade or business if it is a separate structure that is not attached to your home.

**Item I Certified Historic Structures** You may elect to amortize rehabilitation expenditures or take accelerated depreciation for certain certified historic structures. Section 167(b) allows an accelerated method of depreciation if you substantially rehabilitate a certified historic structure including how to complete Item I, see the instructions on page 23 for lines 6a and b.

**Instructions for Schedule C Profit or (Loss) From Business or Profession**

**Purpose** If you operated a business or practiced a profession, complete Schedule C. If you had more than one business, or if you and your spouse operated a business, please complete a Schedule C for each business.

**Item A Main Business Activity and Product** Report the business activity that accounted for the most income included on Schedule C, Part I, line 4a. Give the general field as well as the specific product. For example, "retail—hardware," or "wholesale—groceries."

**Item B Employer Identification Number** You must have an employer identification number unless you had a Keogh plan or you were required to file an employment, excise, or alcohol, tobacco, and firearms tax return.

**Item C Business Address** Use your home address only if you actually conducted the business from your home. You should show a street address instead of a box number.

**Item D Accounting Method** You must use the cash method on your return unless you kept account books. If you use the accrual method, or in some cases, the completed contract or percentage of completion method. The method used must be the same for all years.

**Line 1** Add lines 2a, 2b(1), and 2b(n). Put the total on line 3.

**Line 2** Subtract line 3 from line 1. This is the largest amount of income you can use to figure your tax liability.

**Line 3** If the amount on line 3 is more than the amount on line 1, for a column, do not complete the rest of the lines in that column.

**Line 4** The kind of retirement income you enter depends on whether you are under 65 or 66. If you are under 65, those pensions are any amount from line 2a, those pensions are not taxable.

**Line 5a** If you were under 68 on January 1, 1980, enter the pension or annuity payments you received from a public retirement system and reported as income on Form 1040, line 8.

**Line 6** If your spouse died and you received a lump-sum payment, enter the amount you received with more retirement income as income.

**Line 7a** Report pensions and annuities that are included in your gross income that you received from workers' compensation, insurance, damages, etc., for injury or sickness. Include payments you received from Social Security (before deduction of Medicare premiums).

**Line 7b** Use this line if you had wages, salaries, or other earned income (including disability income that you reported on Form 1040, line B) of more than:

- \$900 and you were under 62, or \$1,200 and you were at least 62 but under 72; or
- \$1,200 and you were at least 62 but under 72, or over 72; or
- had earned income of \$900 or less, or earned income of \$1,200 or less.

**See page 12 of instructions for definition of earned income.** If you use line 2b, please follow the instructions below.

**Line 8** If you were under 62 and had earned income of more than \$900, or over 72 and had earned income of more than \$1,200, divide the balance by 2 and enter the result on line 2b(1).

**Line 9** If you were under 62 and had earned income of more than \$900, or over 72 and had earned income of more than \$1,200, divide the balance by 2 and enter the result on line 2b(1).

**Line 10** If you were under 62 and had earned income of more than \$900, or over 72 and had earned income of more than \$1,200, divide the balance by 2 and enter the result on line 2b(1).

**Line 11** If you were under 62 and had earned income of more than \$900, or over 72 and had earned income of more than \$1,200, divide the balance by 2 and enter the result on line 2b(1).

**Line 12** If you were under 62 and had earned income of more than \$900, or over 72 and had earned income of more than \$1,200, divide the balance by 2 and enter the result on line 2b(1).



• the cost of planting and growing citrus or almond groves for the first four years after you plant them. You must treat these items as part of the cost of the grove.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

**Farming Syndicates**

Farming syndicates may be

- a partnership, or
- any other noncorporate group, or
- a small business corporation, if the corporation was organized and operated in a way that would require registration with any Federal or State agency, or
- more than 35 percent of the loss during the year was borne by the partner, partner's partner, or limited entrepreneur (A limited partner or limited entrepreneur is a person who does not take any active part in managing the business, and has not invested).

If you are a farming syndicate, your deductions are limited as follows:

- If you are a partner, you may deduct only your share of the total loss.
- If you are a limited entrepreneur, you may deduct only your share of the total loss for the year you actually use farm supplies only in the year you deduct them under your accounting method. However, if you use the accrual method, you may deduct your share of the total loss in the year you actually use farm supplies only in the year you deduct them.

You must spread the cost of poultry, swine, and other livestock over a period of 12 months, or the useful life, whichever is less.

- You cannot deduct the cost of planting, cultivating, maintaining or developing groves, but you can deduct the cost of producing commercial quantities. You must treat these costs as part of the cost of the grove.

**Line 33**

Enter the amount you paid for farm labor. You can count the cost of boarding farm labor, but not the value of any products produced by the labor, or the value of any products you produced on the farm. You must treat these costs as part of the cost of the grove.

**Line 34**

Enter the amount you paid for farm labor. You can count the cost of boarding farm labor, but not the value of any products produced by the labor, or the value of any products you produced on the farm. You must treat these costs as part of the cost of the grove.

**Line 35**

Enter the amount you paid for farm labor. You can count the cost of boarding farm labor, but not the value of any products produced by the labor, or the value of any products you produced on the farm. You must treat these costs as part of the cost of the grove.

If you do not report patronage dividends from the items as income, you must subtract the amount of the dividend from the cost of the other basis of these items.

**Line 24**

If you receive part unit returns in cash, show the amount of cash. If you receive qualified part unit return certificates, show the dollar amount of the certificate.

**Line 25**

Enter on line 25a cash you received as patronage dividends, and on line 25b the amount of cost share payments (sight drafts).

On line 25b, show the amounts the Department of Agriculture paid for materials such as fertilizer or lime, or services such as grading or constructing dams.

**Line 27**

Report Commodity Credit Corporation loans you received as income. If you received these loans instead of for-farm supplies, report the loan as income on line 27. If you received the loan as income on the line for the crop, or on line 30 as "other income."

Shares, report these rents as income on line 28. If you received the loan as income on the line for the crop, or on line 30 as "other income."

**Line 28**

If you took a credit for Federal gasoline tax on your 1978 Form 1040, enter the amount on line 28. Enter the amount of any State gasoline tax refund you got in 1979.

**Line 29**

Enter the amount of any State gasoline tax refund you got in 1979.

**Line 30**

Use this line to report income other than that shown on lines 1 through 29.

You should report the sale of commodity futures contracts on this line if they were made to protect you from price changes in the market. If you had a profit or loss in a closed futures contract, show it as a minus amount.

Purchase or sales contracts are not true commodity futures contracts unless they are reported on line 30. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report the profit or loss on line 30 (Form 1040, 1041, or 1065).

**Line 36**

Enter the amount you were paid for the use of your farm machinery.

**Line 37**

Show patronage dividends you received in cash, and the dollar amount of qualified written notices of allocation. If you received the notice of allocation, you must report the income. Include cash advances you received from a marketing cooperative. You do not have to include as income:

- personal or family items,
- capital assets,
- depreciable assets you use in your business.

**Line 38**

Show the amount you were paid for the use of your farm machinery.

**Line 39**

Show patronage dividends you received in cash, and the dollar amount of qualified written notices of allocation. If you received the notice of allocation, you must report the income. Include cash advances you received from a marketing cooperative. You do not have to include as income:

- personal or family items,
- capital assets,
- depreciable assets you use in your business.

**Part I**

**Farm Income**

**Cash Method**

In Part I show the income you received for the items listed on lines 1 through 29. Count both the cash you received and the fair market value of goods or other property you received. These items include:

- shares based on farm production or crop
- shares, report these rents as income on line 28. If you received the loan as income on the line for the crop, or on line 30 as "other income."

**Line 1**

In column (b) show the amount you received from sales of livestock you bought for resale. In column (c) show the cost or other basis of the livestock.

**Line 2**

In column (b) show the amount you received from sales of other items you bought for resale. In column (c) show the cost or other basis of those items.

**Line 4**

If you sold livestock because of a drought, instead of in the year after the income from the sale in the year after the drought, you can do this if:

- your main business is farming, AND
- you can show that you sold the livestock for a purpose other than tax purposes.

Your area qualified for Federal aid, and you may include crop insurance proceeds and certain disaster payments in income in the tax year after the year of the sale. You may not practice to report income from these crops in the later tax year.

**Lines 5 through 21**

Show the amount you received from the sale of livestock and produce you raised.

**Line 22**

Show the amount you were paid for the use of your farm machinery.

**Line 23**

Show patronage dividends you received in cash, and the dollar amount of qualified written notices of allocation. If you received the notice of allocation, you must report the income. Include cash advances you received from a marketing cooperative. You do not have to include as income:

- personal or family items,
- capital assets,
- depreciable assets you use in your business.

**Part II**

**Farm Deductions**

**Cash and Accrual Method**

Do not deduct:

- personal or living expenses (such as taxes, insurance, or repairs on your home) which do not produce farm income,
- your family used,
- the value of animals you raised that died,
- loss of inventory,
- personal losses.

**Page 30**

**Part II**

**Computation of Net Earnings from Nonfarm Self-Employment**

**Line 5b**

Enter the amount of your net profit or (loss) from partnerships, joint ventures, or other unincorporated firms. If you have a loss, enter only your deductible loss.

**Line 5c**

Enter the amount of your net profit or (loss) from partnerships, joint ventures, or other unincorporated firms. If you have a loss, enter only your deductible loss.

**Line 7**

Use line 7 to exclude any amounts you received from the sale of property taken into account in figuring your nonfarm self-employment income. Deduct additional first year depreciation from nonfarm partnerships on this line.

**Line 30**

Enter the smaller of:

- \$1,600, or
- 2% of the total of gross profits from Schedule C, line 3, plus the distributive share of partnership income (Schedule K-1, line 15b). Also include gross profits from services reported on lines 5c, 5d, and 5e, as adjusted on line 7.

**Instructions for Schedule F**

**Farm Income and Expenses**

**Purpose**

Use Schedule F to report farm income and expenses if you are a farmer or rancher. See the Instructions for Form 1040 and the Tax Guide, for additional information. It has samples of filled-in forms and schedules. You may also want to get Publication 533, Self-Employment Tax, and Publication 532, Self-Employment Tax.

**Do not report the following income on Schedule F:**

- Rent you received that was based on farm production or crop insurance proceeds.
- Income from Form 1040, line 3, as more than \$2,400, enter two thirds of the amount from Schedule K-1, line 3.
- Salary, wages, or voluntary contributions for a pension, profit-sharing, or other retirement plan.
- Income from Form 1065, Schedule K-1, line 3.
- Sales of livestock held for draft, breeding, show, or other purposes. Report this income on Form 4797.

**Which Parts to Use**

Schedule F has 5 parts. The method of accounting you use to record your farm income determines which parts you must complete.

Under the cash method, you include all of your income in the year you actually receive it. Generally, you deduct your expenses when you pay them. If you use the cash method, fill in Parts I, II, and III.

**Page 29**

If both nonfarm and farm businesses are used only if your actual net earnings from nonfarm self-employment are less than \$1,600. In all combined cases, your net earnings from nonfarm self-employment are the sum of your net earnings from both nonfarm and farm businesses. If you qualify to use either the cash or accrual method for nonfarm self-employment alone.

If you use both options in figuring net earnings from self-employment, your earnings from self-employment for any tax year cannot be more than \$1,600.

For the nonfarm optional method, figure your net earnings from nonfarm self-employment according to the partnership agreement. With guaranteed payments, your share of the partnership's gross profit is determined by your guaranteed payments. Your share of the partnership's gross profit is reduced by all guaranteed payments of the partnership, or more information, please get Publication 533, Self-Employment Tax.

**Line-By-Line Instructions**

**Net Earnings from Self-Employment**

We have provided specific instructions for those lines that do not appear in the instructions are self-explanatory.

**Part I**

**Computation of Net Earnings from Farm Self-Employment**

**Line 2**

Exclude from line 2, any income or expense not included in figuring net earnings from farm self-employment and attach an explanation. Also exclude from line 2 any net losses from farm self-employment. Unincorporated expenses from farm partnership income.

**Line 3a**

If you elect the farm optional method and your net earnings from farm self-employment are not more than \$2,400, enter two thirds of the amount from Schedule K-1, line 3. If your net earnings are more than \$2,400, enter two thirds of the amount from Schedule K-1, line 3.

**Line 3b**

If the total of the amount from Schedule K-1, line 3, is more than \$2,400, and line 1a is less than \$1,600, enter \$1,600.

The items taken from these lines may be used on Form 1040, Schedule F, line 533, Self-Employment Tax.

**Line 4**

If you elect the Farm Optional Method, enter the amount from line 2, otherwise, if you have only farm income, skip Part II and go to Part III.

**Optional Method for Figuring Net Earnings from Farm Self-Employment**

If your gross farming profits for the year were not more than \$2,400, you can use the optional method for figuring net earnings from farm self-employment. If your gross farm profits were more than \$2,400, and your net farm earnings were not more than \$1,600, you can report \$1,600 on how many times there is no limit on how many times you can elect this optional method. If you elect this optional method, you must report all farm earnings from self-employment for the year. This method can be used to increase or decrease net farm earnings, even if the farming operation resulted in a net loss. The optional method is based on actual net (or optional net or the reverse) after you file your return.

For the optional method, figure your share of the partnership's gross profit according to the partnership agreement. With guaranteed payments, your share of the partnership's gross profit is determined by your guaranteed payments. Your share of the partnership's gross profit is reduced by all guaranteed payments of the partnership.

**Optional Method for Figuring Net Earnings from Nonfarm Self-Employment**

You may be able to use an optional method to figure your net earnings from nonfarm self-employment if your actual net earnings from nonfarm self-employment are not more than \$1,600, and less than two thirds of your gross nonfarm profits.

You may use this optional method if you are:

- a regularly self-employed, or
- regularly a member of a partnership.

This requirement is met if you had actual net earnings from self-employment of \$400 or more (including your distributive share of the income or loss from any partnership or business) in at least 2 of the 3 years immediately before the year for which you use the optional method.

In this optional method, you may report two thirds of your gross nonfarm profits (but not more than \$1,600) as your net earnings from self-employment. The nonfarm net earnings are reported on line 5b to report less than your actual net earnings from nonfarm self-employment.

The limit for the optional method for nonfarm self-employment is \$1,600. If you have only farm income, skip Part II and go to Part III.

**Optional Method for Figuring Net Earnings from Farm Self-Employment**

If your gross farming profits for the year were not more than \$2,400, you can use the optional method for figuring net earnings from farm self-employment. If your gross farm profits were more than \$2,400, and your net farm earnings were not more than \$1,600, you can report \$1,600 on how many times there is no limit on how many times you can elect this optional method. If you elect this optional method, you must report all farm earnings from self-employment for the year. This method can be used to increase or decrease net farm earnings, even if the farming operation resulted in a net loss. The optional method is based on actual net (or optional net or the reverse) after you file your return.

For the optional method, figure your share of the partnership's gross profit according to the partnership agreement. With guaranteed payments, your share of the partnership's gross profit is determined by your guaranteed payments. Your share of the partnership's gross profit is reduced by all guaranteed payments of the partnership.

**Optional Method for Figuring Net Earnings from Nonfarm Self-Employment**

You may be able to use an optional method to figure your net earnings from nonfarm self-employment if your actual net earnings from nonfarm self-employment are not more than \$1,600, and less than two thirds of your gross nonfarm profits.

You may use this optional method if you are:

- a regularly self-employed, or
- regularly a member of a partnership.

This requirement is met if you had actual net earnings from self-employment of \$400 or more (including your distributive share of the income or loss from any partnership or business) in at least 2 of the 3 years immediately before the year for which you use the optional method.

In this optional method, you may report two thirds of your gross nonfarm profits (but not more than \$1,600) as your net earnings from self-employment. The nonfarm net earnings are reported on line 5b to report less than your actual net earnings from nonfarm self-employment.

The limit for the optional method for nonfarm self-employment is \$1,600. If you have only farm income, skip Part II and go to Part III.

1979 Tax Table A—SINGLE (Filing Status Box 1)

To find your tax: Read down the income column until you find your money as shown on Form 1040, line 34. Read across to the column headed...

Table with columns for tax amounts and exemption numbers. Rows are organized by income brackets (e.g., If \$3,300 or less your tax is 0, 3,300, 3,350, etc.) and exemption counts (1, 2, 3).

Continued next column Page 32

Part III Depreciation

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment that are permanent in nature. Group similar assets as one item to report them in this part.

Line 36

If you are a tenant farmer and pay the owner of the land a share of the crop rather than cash, show the cost of the crop. Do not enter the value of the crop.

Line 40

Show what you paid to rent machinery used on your farm.

Line 46

You can deduct the following taxes on your business assets: real estate and personal property taxes.

Line 47

Show the amount of premiums for fire, theft, crop, or other insurance for this year for your farm business assets. Do not include insurance on personal assets or medical, health or family life insurance on yourself or your family.

Line 48

Show what you paid for gas, electricity, and other personal utilities. Do not include personal utilities.

Line 50

You can deduct what you spent to conserve your land. You can also deduct what you paid to a soil or water district for conservation expenses. Do not deduct more than 25 percent of your gross income from farming, other than the value of selling assets such as farm machinery and land.

Line 51

Show what you paid to clear land so you could farm it. Do not enter more than 10 percent of your taxable income from farming, whichever is less.

Line 52

Enter the amount you paid to pension, health and welfare programs for your owner-employees. See the instructions for Form 1040, line 26. Enter the amount you paid for yourself on that line.

Line 53

Enter any amounts you paid to programs for your employees that are not a part of the plans on line 52. Examples are insurance, health and welfare programs. Do not include amounts paid for yourself or your family here.

Line 54

Enter expenses not listed on another line. Examples are office supplies, advertising, car and truck expenses. You can deduct what it cost you to run your car or truck.

Part III Depreciation

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment that are permanent in nature. Group similar assets as one item to report them in this part.

Line 60

You can choose to deduct an additional allowance for first year depreciation on certain assets that have a useful life of 6 years or more. Please see Publication 534 for more information.

Line 61

Be sure to reduce the cost or other basis of assets for which you have chosen to deduct first year depreciation on line 60.

Line 62

Enter the total on line 62 and in Part II, line 56.

Part IV Accrual Income

If you used the accrual method, report farm income when you earned it, not when you received it. Generally, you must report your farm income when you receive it.

Lines 63 through 76

For each item listed, fill in columns (b), (c), (d) and (e) across. See the line by line instructions for Part I for more information.

Part V Summary of Income and Deductions

Accrual Method

Lines 80 and 81

Line 82

Line 83

Line 84

Lines 91 and 92

See instructions for Part I, lines 58 and 59.



1979 Tax Table A—SINGLE (Filing Status Box 1)

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax.)

Table with columns for tax amounts (11,100 to 19,950) and exemption counts (1-3). Includes sub-headers for 'If Form 1040, line 34, Over' and 'And the total number of exemptions claimed on line 7 is—'.

Continued next column Page 33

1979 Tax Table B—MARRIED FILING JOINT RETURN (Filing Status Box 2) and QUALIFYING WIDOW(ER)S (Filing Status Box 5)

(For married persons filing joint returns or qualifying widow(er)s with income of \$40,000 or less on Form 1040, line 34, who claim 9 or fewer exemptions.)

Table with columns for tax amounts (8,200 to 11,100) and exemption counts (1-9). Includes sub-headers for 'If Form 1040, line 34, Over' and 'And the total number of exemptions claimed on line 7 is—'.

Continued next page Page 34

1979 Tax Table B—MARRIED FILING JOINT RETURN (Filing Status Box 2) and QUALIFYING WIDOWER'S (Filing Status Box 5)

Table with columns for tax amounts (18,000 to 23,950) and exemption counts (0 to 9). Includes sub-headers for 'If Form 1040, line 34' and 'And the total number of exemptions claimed on line 7 is'. Includes a 'Continued on next page' note.

1979 Tax Table B—MARRIED FILING JOINT RETURN (Filing Status Box 2) and QUALIFYING WIDOWER'S (Filing Status Box 5)

Table with columns for tax amounts (18,000 to 23,950) and exemption counts (0 to 9). Includes sub-headers for 'If Form 1040, line 34' and 'And the total number of exemptions claimed on line 7 is'. Includes a 'Continued on next page' note.

1979 Tax Table B—MARRIED FILING JOINT RETURN (Filing Status Box 2) and QUALIFYING WIDOWER'S (Filing Status Box 5)

Table with columns for tax amounts (2-9) and exemptions (1-9). Rows represent income levels from 28,000 to 38,950. Includes instructions for Form 1040 and Form 34.

Continued next column

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1979 Tax Table B—MARRIED FILING JOINT RETURN (Filing Status Box 2) and QUALIFYING WIDOWER'S (Filing Status Box 5)

Table with columns for tax amounts (2-9) and exemptions (1-9). Rows represent income levels from 39,000 to 49,950. Includes instructions for Form 1040 and Form 34.

Continued next column

Page 37

1979 Tax Table C—MARRIED FILING SEPARATE RETURN (Filing Status Box 3)

(For married persons filing separate returns with income of \$20,000 or less on Form 1040, line 34, who claim 3 or fewer exemptions) To find the correct filing status, use the instructions on Form 1040, line 34. Read across to the column headed by the filing status shown on Form 1040, line 34. Then, read down to the row headed by the number of exemptions claimed on Form 1040, line 7. The amount shown in this table is the amount of tax to be shown on Form 1040, line 35. The \$1,700 zero bracket amount and your deduction for exemptions have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Caution: If your spouse, itemizes deductions and your itemized deductions are less than \$1,700 (or if you can be claimed as a dependent on Form 1040, line 35), you must first use Schedule TC (Form 1040), Part I, to figure your tax.

Table with columns for 'If Form 1040, line 34', 'And the total number of exemptions claimed on line 7 is', and 'Your tax is—'. Rows represent income levels from \$2,700 to \$10,000 and exemption counts from 0 to 7.

Continued on next page

1979 Tax Table C—MARRIED FILING SEPARATE RETURN (Filing Status Box 3)

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax.) (Continued)

Table with columns for 'If Form 1040, line 34', 'And the total number of exemptions claimed on line 7 is', and 'Your tax is—'. Rows represent income levels from \$10,800 to \$18,800 and exemption counts from 1 to 3.

Continued next column

1979 Tax Table D - HEAD OF HOUSEHOLD (Filing Status Box 4)

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part 1 to figure your tax.)

Table with columns for tax amounts (1-8) and exemption counts (1-8). Rows represent income levels from \$1,000 to \$14,500.

Continued on next page

1979 Tax Table D - HEAD OF HOUSEHOLD (Filing Status Box 4)

(For unmarried (including certain married persons who live apart and abandoned) spouses, or legally separated persons who qualify as heads of household.)

Table with columns for tax amounts (1-8) and exemption counts (1-8). Rows represent income levels from \$1,000 to \$14,500.

Continued on next page

1979 Tax Table D — HEAD OF HOUSEHOLD (Filing Status Box 4)

(If your income or exemptions are not covered, use Schedule TC, Form 1040, Part I to figure your tax.)

Table with columns for tax amounts (1-8) and exemption counts (1-8). Rows represent income levels from 14,500 to 17,200. Includes instructions for using the table and a 'Continued next column' note.

SCHEDULE X—Single Taxpayers

Use this schedule if you checked Filing Status Box 1 on Form 1040—

Married Filing Joint Returns and Qualifying Widows and Widowers

Use this schedule if you checked Filing Status Box 2 or 5 on Form 1040—

Use this schedule if you checked Filing Status Box 3 on Form 1040—

Use this schedule if you checked Filing Status Box 4 on Form 1040—

Who live apart (and abandoned spouses)—see page 7 of the instructions)

(Including certain married persons)

SCHEDULE Y—Married Taxpayers and Qualifying Widows and Widowers

Use this schedule if you checked Filing Status Box 1 on Form 1040—

Use this schedule if you checked Filing Status Box 2 or 5 on Form 1040—

Use this schedule if you checked Filing Status Box 3 on Form 1040—

Use this schedule if you checked Filing Status Box 4 on Form 1040—

Who live apart (and abandoned spouses)—see page 7 of the instructions)

(Including certain married persons)

SCHEDULE Z—Heads of Household

Use this schedule if you checked Filing Status Box 1 on Form 1040—

Use this schedule if you checked Filing Status Box 2 or 5 on Form 1040—

Use this schedule if you checked Filing Status Box 3 on Form 1040—

Use this schedule if you checked Filing Status Box 4 on Form 1040—

Who live apart (and abandoned spouses)—see page 7 of the instructions)

(Including certain married persons)

SCHEDULE Y—Married Taxpayers and Qualifying Widows and Widowers

Use this schedule if you checked Filing Status Box 1 on Form 1040—

Use this schedule if you checked Filing Status Box 2 or 5 on Form 1040—

Use this schedule if you checked Filing Status Box 3 on Form 1040—

Use this schedule if you checked Filing Status Box 4 on Form 1040—

Who live apart (and abandoned spouses)—see page 7 of the instructions)

(Including certain married persons)

Main tax table for Schedules X, Y, and Z. Columns represent tax amounts (1-8) and exemption counts (1-8). Rows represent income levels from 14,500 to 17,200. Includes instructions for using the table and a 'Continued next column' note.

1979 Tax Rate Schedules

If you cannot use one of the Tax Rate Schedules on this page, enter the amount on Schedule TC, Part I, line 3. If you cannot use one of the Tax Rate Schedules on this page, enter the tax on Schedule TC, Part I, line 4.

Note: Your new zero bracket amount has been built into these Tax Rate Schedules.

1979 Earned Income Credit Table

Caution: This is Not a Tax Table

To find your earned income credit:

Read down the column titled "If line 3 or 4 of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 2. Read

across to the right and find the amount of the earned income credit. Enter that amount on line 5 or 6 of the worksheet, whichever applies.

Table with 4 columns: 'If line 3 or 4 of the worksheet is—', 'Your earned income credit is—', 'If line 3 or 4 of the worksheet is—', 'Your earned income credit is—'. Rows range from \$0 to \$1,900.

1979 Optional State Sales Tax Tables

Large table with 16 columns for states: Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming. Includes 'Income' and 'Family size' columns.

tax is paid all year (Alabama, Connetquot, Contra Costa, San Francisco, and Santa Clara counties) add 6 percent to the table amount.

If your local sales tax applies to food for home consumption contact your local sales tax authority for the applicable rate.

\* Sales tax paid on purchase of electricity of 750 kWh or more per month can be added to the table amount.

† Sales tax paid on any single item of clothing for 12 months or more can be added to the table amount.

‡ The 1 1/2 percent local sales tax is included. If the 1/2 percent sales tax to the table amounts for local sales tax see footnote 2.

1979 Optional State Sales Tax Tables—Cont.

Table with columns for State, Income, Family Size, and Tax. Includes states like Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

To Call IRS Toll-Free for Answers to Your Federal Tax Questions, Use Only the Number Listed Below for Your Area

We are happy to answer questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax. To make sure that courteous and correct answers are given to taxpayers, a "Toll-free" is a telephone call for which you pay only local charges with no long-distance charge. Please use a local city number only if it is not a long-distance call for you. Otherwise, use the general toll free number given.

- Alabama: Birmingham, 252-1155; Decatur, 355-1855; Huntsville, 539-2751; Mobile, 433-5532; Montgomery, 264-8441; Muscle Shoals Area, 767-0301; Tuscaloosa, 756-4434.
Alaska: Anchorage, 276-1040; Fairbanks, 452-2222.
Arizona: Phoenix, 252-1233; Tucson, 882-4181.
Arkansas: Little Rock, 376-4401.
California: Sacramento, 485-3300; San Francisco, 424-6461.
Colorado: Denver, 825-7041.
Connecticut: Hartford, 269-8251.
Delaware: Wilmington, 573-6400.
Florida: Jacksonville, 354-1760; Miami, 358-5027.
Georgia: Atlanta, 522-0050; Augusta, 724-9946.
Hawaii: Honolulu, 935-4895.
Idaho: Boise, 336-1040.
Illinois: Chicago, 435-1040.
Indiana: Evansville, 424-6461.
Iowa: Des Moines, 284-4850.
Kansas: Topeka, 371-4526.
Kentucky: Louisville, 584-1361.
Louisiana: New Orleans, 581-2440.
Maine: Portland, 775-7401.
Maryland: Baltimore, 962-2590.
Massachusetts: Boston, 523-1040.
Michigan: Detroit, 237-0800.
Minnesota: Minneapolis, 291-1422.
Mississippi: Jackson, 948-4500.
Missouri: St. Louis, 875-5100.
Montana: Helena, 443-6755.
Nebraska: Omaha, 482-9350.
Nevada: Las Vegas, 452-2222.
New Hampshire: Concord, 862-2590.
New Jersey: Trenton, 426-8300.
New Mexico: Albuquerque, 845-6600.
New York: Albany, 486-2122.
North Carolina: Raleigh, 387-2206.
North Dakota: Bismarck, 785-2122.
Ohio: Columbus, 327-7491.
Oklahoma: Oklahoma City, 521-2122.
Oregon: Portland, 253-1040.
Pennsylvania: Philadelphia, 215-2600.
Rhode Island: Providence, 862-2590.
South Carolina: Columbia, 732-7491.
South Dakota: Pierre, 225-1040.
Tennessee: Nashville, 252-1155.
Texas: Houston, 281-2122.
Utah: Salt Lake City, 328-2122.
Vermont: Montpelier, 252-1155.
Virginia: Richmond, 624-2122.
Washington: Seattle, 425-2122.
West Virginia: Charleston, 336-1040.
Wisconsin: Milwaukee, 425-2122.
Wyoming: Cheyenne, 338-2122.



**Form 4136**, Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil  
**Form 4137**, Computation of Social Security Tax on Unreported Tip Income  
**Form 4562**, Depreciation  
**Form 4684**, Casualties and Thefts  
**Form 4726**, Maximum Tax on Personal Service Income  
**Form 4797**, Supplemental Schedule of Gains and Losses  
**Form 4798**, Carryover of Pre-1970 Capital Losses  
**Form 4835**, for form rental income and expenses  
**Form 4868**, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return  
**Form 4972**, Special 10-year Averaging Method

Some helpful publications you can send for:

- 17 Your Federal Income Tax
- 54 Tax Guide for U.S. Citizens Abroad
- 334 Tax Guide for Small Business
- 901 Exemptions
- 502 Medical and Dental Expenses
- 503 Child and Disabled Dependent Care
- 504 Tax Information for Divorced or Separated Individuals
- 506 Income Averaging
- 521 Moving Expenses
- 522 Disability Payments
- 523 Tax Information on Selling or Buying Your Home
- 524 Credit for the Elderly
- 526 Charitable Contributions
- 529 Miscellaneous Deductions
- 530 Tax Information for Homeowners
- 545 Interest Expense
- 552 Recordkeeping Requirements and a List of Tax Publications
- 553 Highlights of 1979 Tax Changes
- 554 Tax Benefits for Older Americans
- 903 Energy Credits for Individuals

Other publications and forms referred to in the instructions are available without cost from any District Director.

**Buy U.S. Savings Bonds**  
 Where you work or bank



**Take Stock**  
 in America

## How To Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below. You can get them from any Internal Revenue Service office, at many banks and post offices, or by using the order blank on page 51.

- Schedule A for itemized deductions
- Schedule B for dividends and other distributions on stock if more than \$400, for interest income if more than \$400, and for answering the Foreign Accounts or Foreign Trust Questions
- Schedule C for income from a personally owned business
- Schedule D for income from the sale or exchange of capital assets
- Schedule E for income from pensions, annuities, rents, royalties, partnerships, estates, trusts, etc.
- Schedule F for income from farming
- Schedule G for income averaging
- Schedules R&RP credit for the elderly
- Schedule SE for reporting net earnings from self-employment
- Schedule TC for tax computation if Tax Tables are not used
- Form 5695, Energy Credits
- These forms are available only at Internal Revenue Service offices:
- Form 1040-ES to make estimated tax payments
- Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer
- Form 2106, Employee Business Expenses
- Form 2120, Multiple Support Declaration
- Form 2210, Underpayment of Estimated Tax by Individuals
- Form 2440, Disability Income Exclusion
- Form 2441, Credit for Child and Dependent Care Expenses
- Form 2555, Deduction from, or Exclusion of, Income Earned Abroad
- Form 3468, Computation of Investment Credit
- Form 3903, Moving Expense Adjustment

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## Tennessee

Chattanooga, 892-3010  
 Knoxville, 637-0190  
 Memphis, 522-1250  
 Nashville, 259-4601  
 Elsewhere in Tennessee,  
 1-800-342-8420

## Texas

Austin, 472-1974  
 Beaumont, 835-5076  
 Corpus Christi, 888-9431  
 Dallas, 742-2440  
 El Paso, 532-6116  
 Ft. Worth, 335-1370  
 Houston, 965-0440  
 Lubbock, 747-4361  
 San Antonio, 229-1700  
 San Antonio, 752-6535  
 Wichita Falls, 723-6702  
 Elsewhere in Texas, 1-800-492-4830

## Utah

Salt Lake City, 524-1060  
 Elsewhere in Utah, 1-800-662-5370

## Vermont

Burlington, 658-1870  
 Elsewhere in Vermont,  
 1-800-642-3110

## Virginia

Baileys Crossroads (Northern Virginia),  
 557-9230  
 Chesapeake, 461-3770  
 Norfolk, 461-3770  
 Portsmouth, 461-3770  
 Richmond, 649-2361  
 Virginia Beach, 461-3770  
 Elsewhere in Virginia, 800-552-9500

## Washington

Everett, 259-0861  
 Seattle, 442-1040  
 Spokane, 456-8350  
 Tacoma, 383-2021  
 Elsewhere in Washington,  
 800-732-1040

## West Virginia

Charleston, 345-2210  
 Huntington, 523-0213  
 Parkersburg, 485-1601  
 Wheeling, 233-4210  
 Elsewhere in West Virginia,  
 1-800-642-1931

## Wisconsin

Milwaukee, 271-3780  
 Elsewhere in Wisconsin, 800-452-9100

## Wyoming

Call 1-800-525-6060

Telephone Assistance Services for  
 Deaf/Hearing Impaired Taxpayers  
 Who Have Access to TV—phone/  
 Teletypewriter Equipment.  
 Hours of Operation  
 8:30 A.M. to 6:45 P.M. EST  
 Indiana residents, 1-800-382-4059  
 Elsewhere in contiguous U.S.,  
 1-800-428-4732

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## North Carolina

Charlotte, 372-7750  
 Greensboro, 274-3711  
 Raleigh, 828-6278  
 Winston-Salem, 761-1622  
 Elsewhere in North Carolina,  
 800-822-8800

## North Dakota

Fargo, 293-0650  
 Elsewhere in North Dakota,  
 800-342-4710

## Ohio

### Cleveland District

Akron, 253-1141  
 Canton, 455-6781  
 Cleveland, 522-3000  
 Toledo, 255-3730  
 Youngstown, 746-1811  
 Elsewhere in Northern Ohio,  
 1-800-362-9050

### Cincinnati District

Cincinnati, 621-6281  
 Columbus, 228-0520  
 Dayton, 228-0557  
 Elsewhere in Southern Ohio,  
 1-800-582-1700

## Oklahoma

Oklahoma City, 272-9531  
 Tulsa, 583-5121  
 Elsewhere in Oklahoma,  
 1-800-962-3456

## Oregon

Eugene, 485-8285  
 Portland, 779-3375  
 Medford, 779-3375  
 Salem, 581-8720  
 Elsewhere in Oregon, 800-452-1980

## Pennsylvania

Allentown, 437-6966  
 Bethlehem, 437-6966  
 Erie, 453-5671  
 Harrisburg, 783-8700  
 Philadelphia, 574-9900  
 Pittsburgh, 281-0112  
 Elsewhere in area codes 215 and 717,  
 call 800-462-4000  
 Elsewhere in area codes 412 and 814,  
 call 800-242-0250

## Rhode Island

Providence, 274-1040  
 Elsewhere in Rhode Island,  
 1-800-662-5055

## South Carolina

Charleston, 722-1601  
 Columbia, 799-1040  
 Greenville, 242-5434  
 Elsewhere in South Carolina,  
 1-800-241-3868

## South Dakota

Aberdeen, 732-0100  
 Rockland County, 352-8900  
 Staten Island, 732-0100  
 Westchester County, 997-1510

## Missouri

Columbia, 874-4040  
 Jefferson City, 635-9141  
 Joplin, 781-8500  
 Kansas City, 474-0350  
 St. Joseph, 364-3111  
 St. Louis, 342-1040  
 Springfield, 587-5000  
 Elsewhere in Missouri, 800-392-4200

## Montana

Helena, 443-2220  
 Elsewhere in Montana,  
 1-800-332-2275

## Nebraska

Lincoln, 477-6081  
 Omaha, 422-1500  
 Elsewhere in Nebraska, 800-642-9960

## Nevada

Las Vegas, 385-6291  
 Reno, 784-5521  
 Elsewhere in Nevada, 800-492-6582

## New Hampshire

Portsmouth, 436-8810  
 Elsewhere in New Hampshire,  
 1-800-582-7200

## New Jersey

Camden, 366-7333  
 Hackensack, 646-1919  
 Newark, 622-0600  
 Jersey City, 672-0600  
 Paterson, 379-9400  
 Trenton, 394-7113  
 Elsewhere in New Jersey,  
 800-242-6750

## New Mexico

Albuquerque, 243-8641  
 Elsewhere in New Mexico,  
 1-800-527-3880

## New York

**Albany District**  
 Albany (Upstate New York)  
 Albany, 439-3120  
 Poughkeepsie, 452-7800  
 Elsewhere in Eastern Upstate New York, 1-800-342-3700

## Brooklyn District

Brooklyn, 596-3770  
 Nassau, 294-3600  
 Queens, 596-3770  
 Suffolk, 724-5000

## Buffalo District

(Central and Western New York)  
 Buffalo, 855-3955  
 Rochester, 263-6770

## Syracuse District

Syracuse, 425-8111  
 Elsewhere in Central and Western New York, 1-800-462-1560

## Manhattan District

Bronx, 732-0100  
 Manhattan, 732-0100  
 Rockland County, 352-8900  
 Staten Island, 732-0100  
 Westchester County, 997-1510



# Instructions for preparing Form 1040A

Department of the Treasury  
Internal Revenue Service

# 1979

## From the Commissioner

These instructions contain the information you need to complete Form 1040A. Before starting Form 1040A, please check to see if you should file Form 1040 instead. See pages 4 and 5 of the instructions—"Form 1040A or Form 1040."

Generally, you can file Form 1040A if: you do not itemize deductions; all of your income is from wages, salaries, tips, and unemployment compensation; and you do not have more than \$400 of interest or \$4,000 of dividends. Also, your income must be \$40,000 or less if you are married filing a joint return, and \$20,000 or less otherwise.

Most of the lines on the form are the same as last year. But changes in the law caused us to add some lines and change others. So please be careful if you use last year's return as a guide.

Recent changes in the tax law, such as a decrease in the tax rates and an increase in the personal exemption from \$750 to \$1,000, have already been figured into the Form Tables. See **Highlights for 1979** on page 3 for a brief summary of this year's changes.

Some taxpayers receiving unemployment compensation may find that part or all of it is taxable. See page 11 of the instructions for further information.

There is no need for you to figure your own tax. The Internal Revenue Service will do it for you. To have the IRS figure your tax, stop after line 12a, sign and date the return, and attach your W-2 Forms. If you file on time

and you owe tax, we will bill you and give you 30 days to pay. If you have a refund coming, we will send it as quickly as if you figured the tax yourself. We will also figure your Earned Income Credit if you are eligible.

If your income is less than \$10,000, you may be able to take the Earned Income Credit. This credit may entitle you to a payment from the government even if you paid no tax. Please read page 2 of the instructions carefully.

If you are eligible for the Earned Income Credit, you may find that you can receive advance payments from your employer throughout the year. If you received advance payments in 1979, report them on line 14b of Form 1040A. If you expect to qualify for the Earned Income Credit in 1980 and want to receive advance payments, file Form W-5 with your employer.

If you need help, please call us at the number listed for your area on page 28 or 29, or visit an IRS office. If you have any suggestions for improvement of our forms or instructions, please write to us at:

Internal Revenue Service  
Room 5577  
1111 Constitution Avenue, N.W.  
Washington, DC 20224

After you complete your return, please check to make sure it is correct, sign it, and then file it early. Thank you for your cooperation.



Jerome Kurtz  
Commissioner of Internal Revenue

# Form 1040A U.S. Individual Income Tax Return 1979

Department of the Treasury—Internal Revenue Service  
U.S. Individual Income Tax Return 1979

Print your name and address, including apartment number, or rural route.  
Last name  
First name  
Middle name  
City, town or post office State and ZIP code  
Your occupation  
Spouse's occupation  
Your social security number  
Spouse's social security no

**Presidential Election Campaign Fund**  
Do you want \$1 to go to this fund?  
If joint return, does your spouse want \$1 to go to this fund?  
Yes No  
Yes No

**Filing Status**  
1 Single  
2 Married filing joint return (even if only one had income)  
3 Married filing separate return. Enter spouse's social security number above and full name here.  
4 Head of household (See page 6 of instructions.) If qualifying person is your unmarried child, enter child's name.

**Exemptions** Always check the boxes if they apply.  
a Yourself  65 or over  Blind   
b Spouse  65 or over  Blind   
c First names of your dependent children who lived with you.  
d Other dependents: (1) Name (2) Relationship (3) Number of dependents in your home (4) Did dependent have more than \$1,000 of earned income support?  
Enter number of boxes checked on 5a and 5b. Add numbers entered in boxes above.

**7 Wages, salaries, tips, etc.** (Attach Forms W-2. If you do not have a W-2, see page 10 of instructions.)  
**8 Interest income** (See pages 4 and 10 of instructions.)  
**9a Dividends** (See pages 4 and 10 of instructions.)  
**9b Exclusion** Subtract line 9b from 9a.  
**10a Unemployment compensation** Total amount received.  
**10b Taxable part, if any**, from worksheet on page 11 of instructions.  
**11 Adjusted gross income** (add lines 7, 8, 9c, and 10b) If under \$10,000, see page 2 of instructions on "Earned Income Credit."  
**12a Credit for contributions to candidates for public office** (See page 11 of instructions.)  
**12b Total Federal income tax withheld** (If line 7 is more than \$22,900, see page 12 of instructions.)  
**12c Earned income credit** (from page 2 of instructions)

**13 Total** (add lines 12b, b, and c)  
**14a Tax on the amount on line 11.** (See instructions for line 14a on page 12; then find your tax in the Tax Tables on pages 15-26.)  
**14b Advance earned income credit payments received** (from Form W-2)  
**15 Total** (add lines 14a and 14b).  
**16 If line 15 is larger than line 13, enter amount to be refunded to you.**  
**17 If line 15 is larger than line 13, enter BALANCE DUE.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number on check or money order.

**18 Other payments of penalty.** I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.  
Your signature  
Date  
Preparer's signature (If filing jointly, BOTH must sign, even if only one had income)  
Preparer's name  
Preparer's social security no  
Preparer's occupation  
Preparer's address

Print your name (or firm's name, if self-employed)  
Your address  
ZIP code

U.S. GOVERNMENT PRINTING OFFICE: 1979-0-281-318

Form 1040A (1979)

## Earned Income Credit

(If your income is less than \$10,000 and you have a child, read this page carefully.)

### Note:

If you received any advance earned income credit payments, you must file a tax return. Report these payments on line 14b of Form 1040A. If you expect to answer YES to all of the questions on the right for 1980 and want to receive advance payments of the credit, file Form W-5 with your employer.

If you are not required to file a return but can claim the earned income credit, file Form 1040A to get a refund on your credit.

1. Fill in Form 1040A through line 11. Do not check the Presidential Election Campaign Fund box(es).
2. Use the Earned Income Credit Worksheet on this page to figure your credit.
3. Fill in Form 1040A, lines 13 and 16.
4. Sign and date the return.
5. Be sure to attach Copy B of Form(s) W-2.

If you want IRS to figure your earned income credit for you, skip instructions 2. and 3. above, but please provide all the other information requested.

## What Does the Earned Income Credit Do?

The earned income credit helps many taxpayers who have small incomes. If you can take the earned income credit, you can subtract it from tax you owe or get a refund even if you had no tax withheld from your pay. The credit can go as high as \$500.

## What Is Earned Income?

In most cases, you had earned income if you worked last year. Earned income includes:

- wages, salaries, tips, and
- anything else of value (money, goods, or services) you get from your employer for services you performed.

Note: Members of the clergy who receive a housing allowance for rental value of a parsonage as part of their compensation for services as an employee should include that amount on line 1 of the worksheet.

Earned income does not include items such as interest, dividends, social security payments, welfare benefits, or veterans' benefits.

## Who Can't Take the Earned Income Credit?

You can't take the earned income credit if:

1. You are Single (Filing Status Box 1); OR
2. You are Married (filing a separate return (Filing Status Box 3)); OR
3. Your income is \$10,000 or more.

To see if you can take the Earned Income Credit, complete Form 1040A through line 11, and answer the questions below.

- |   |                          |                          |
|---|--------------------------|--------------------------|
|   | Yes                      | No                       |
| 1. Is the amount you listed on Form 1040A, line 11, less than \$10,000?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the amount on line 11 include any wages, salaries, or other earned income?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Did you have a child who lived with you in the same principal residence in the United States during 1979?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. If you checked Filing Status Box 2 on Form 1040A, did you claim your child as a dependent on Form 1040A, line 6c?  | <input type="checkbox"/> | <input type="checkbox"/> |
| OR  |                          |                          |
| If you checked Filing Status Box 4 on Form 1040A, and your child was married for 1979, did you claim that child as a dependent on Form 1040A, line 5c?  | <input type="checkbox"/> | <input type="checkbox"/> |
| OR  |                          |                          |
| If you checked Filing Status Box 4 on Form 1040A, and your child was unmarried for 1979, did you enter that child's name on Form 1040A, line 12, and did you claim that child as a dependent? | <input type="checkbox"/> | <input type="checkbox"/> |

Note: The term child includes

- Your son or daughter
- Your stepchild, adopted child, or a child placed with you by an authorized placement agency for legal adoption (even if the child became your stepchild or adopted child, or was placed with you during the year)
- Any other child whom you cared for as your own child for the whole year, unless the child's natural or adoptive parents provided more than half of the support for that year.

If you want IRS to figure your tax, including the Earned Income Credit, see instructions 2. and 3. above, and do not complete the Earned Income Credit Worksheet.

If you answered NO to any question, you can't take the earned income credit. Do not fill in the worksheet.

If you answered YES to all the questions, you may be able to take the credit. Use the Earned Income Credit Worksheet to figure the amount of any credit.

## Earned Income Credit Worksheet

To figure your credit, follow the instructions below.

1. Amount from Form 1040A, line 7.	\$
2. Amount from Form 1040A, line 11.	\$
3. If line 2 above is not over \$6,000, use the amount on line 1 to find the credit in the table on page 27. Enter the credit here and on Form 1040A, line 12c.	\$
4. If line 2 above is over \$6,000, use the amount on line 2 to find the credit in the table on page 27. Enter the credit here and on Form 1040A, line 12c.	\$

Do NOT file this worksheet with your return (Keep it for your tax records).

## Highlights for 1979

Please note these important changes for this year.

### Tax Rates Have Been Decreased and Personal Exemptions Have Been Increased.

For most taxpayers, the tax rates have been decreased. The deduction for personal exemptions has been increased from \$750 to \$1,000. This increase also applies to the extra exemptions for age and blindness. These changes have already been figured into the Tax Tables.

### Zero Bracket Amounts and Income Levels for Filing Have Been Increased

The Zero Bracket Amounts have been increased. For those who file as Single or Head of household, the amount has been increased from \$2,200 to \$2,300. For Married taxpayers filing jointly, it has been increased from \$3,200 to \$3,400. For Married taxpayers who file separately, it has been increased from \$1,600 to \$1,700. The levels of income for which you must file a return are also higher. See "Who Must File" on this page for the new income levels.

### Earned Income Credit Has Been Increased

Both the maximum amount you can earn and the maximum credit you can get have been increased. The

income ceiling for eligibility has been increased from \$8,000 to \$10,000. The credit can now go as high as \$500. For more details, see page 2.

### New Advance Earned Income Credit Payments

If you received advance payments of the earned income credit from your employer, you must file a tax return even if your income was below the minimum level for your filing status. If your allowable credit is different from the advance payments you received, your tax liability will increase or decrease accordingly.

### Unemployment Compensation May Be Taxable

If you received unemployment compensation payments after December 31, 1978, they may be taxable. See the instructions and worksheet on page 11 for more information.

### Political Contributions

The limit for the credit allowed for political contributions has been doubled. For 1979 and future years, you can claim one-half of what you gave, but not more than \$50 (\$100 if you are married filing a joint return).

## Who Must File a Tax Return

Your income and your filing status generally determine whether you must file a tax return.

You must file a return for 1979, even if you owe no tax:

- If you were single (this also means legally separated, divorced, or married with a dependent child and living apart from your spouse for all of 1979) and:
  - Under 65 **\$3,300**
  - 65 or over **4,300**

If you were married filing a joint return and living with your spouse at the end of 1979 (or on the date your spouse died), and:

- Both were under 65 **\$4,400**
- Both were 65 or over **6,400**
- One was 65 or over **7,400**

If you were married filing a separate return or married but not living with your spouse at the end of 1979:

- **1,000**

If you could be claimed as a dependent on your parents' return, and had taxable dividends, interest, or other unearned income of \$1,000 or more:

- **1,000**

If you were a qualifying widow(er) with a dependent child and:

- Under 65 **4,400**
- 65 or over **5,400**

(A qualifying widow(er) who is required to file MUST use Form 1040.)

If you were allowed to exclude income from sources within U.S. possessions:

- **1,000**

You must file a tax return for 1979 if you were self-employed and your net earnings from this work were at least \$400.

NOTE: Even if your income is less than the amounts shown, you must file a tax return:

- If you received any advance earned income credit payments from your employer during 1979.
- If you owe any taxes, such as FICA (Social Security) on tips you did not report to your employer during 1979.

These rules apply to all U.S. citizens and resident aliens, including those under 21 years of age. They also apply to those nonresident aliens and resident aliens who are married to citizens or residents of the United States at the end of 1979 and file a joint return as discussed on page 7, under Filing Status.

Different rules apply if you were a nonresident alien at any time during 1979 (unless you file a joint return as mentioned above). You may have to file Form 1040NR, U.S. Nonresident Alien Income Tax Return. Also get Publication 519, U.S. Tax Guide for Aliens.

## Who Should File a Tax Return

Even if you do not have to file a tax return, you should so if Federal income tax was withheld from your pay, or if you can take the earned income credit. In either of these cases you may be able to get money back from the government.

## When to File Your Tax Return

You should file as soon as you can after January 1, but not later than April 15, 1980. If you file late, you may have to pay penalties and interest. Please see the instructions for Penalties and Interest on page 13.

**Where to File**

Please use the addressed envelope that came with your return. If you do not have an addressed envelope, or if you moved during the year, mail your return to the Internal Revenue Service Center for the state where you live. No street address is needed.

- Alabama—Atlanta, GA 31101
- Alaska—Ogden, UT 84201
- Arizona—Ogden, UT 84201
- Arkansas—Austin, TX 73301
- California—Fresno, CA 93888
- Colorado—Ogden, UT 84201
- Connecticut—Andover, MA 05501
- Delaware—Philadelphia, PA 19255
- District of Columbia—Philadelphia, PA 19255
- Florida—Atlanta, GA 31101
- Georgia—Atlanta, GA 31101
- Hawaii—Fresno, CA 93888
- Idaho—Ogden, UT 84201
- Illinois—Kansas City, MO 64999
- Indiana—Memphis, TN 37501
- Iowa—Kansas City, MO 64999
- Kansas—Austin, TX 73301
- Kentucky—Memphis, TN 37501
- Louisiana—Austin, TX 73301
- Maine—Andover, MA 05501
- Maryland—Philadelphia, PA 19255
- Massachusetts—Andover, MA 05501
- Michigan—Cincinnati, OH 45999
- Minnesota—Ogden, UT 84201
- Mississippi—Atlanta, GA 31101
- Missouri—Kansas City, MO 64999
- Montana—Ogden, UT 84201
- Nebraska—Ogden, UT 84201
- Nevada—Ogden, UT 84201
- New Hampshire—Andover, MA 05501
- New Jersey—Holtsville, NY 00501
- New Mexico—Austin, TX 73301
- New York—New York City and Counties of Nassau, Rockland, Suffolk and Westchester—Holtsville, NY 00501
- All Other Countries—Andover, MA 05501
- North Carolina—Memphis, TN 37501
- North Dakota—Ogden, UT 84201
- Ohio—Cincinnati, OH 45999
- Oklahoma—Austin, TX 73301
- Oregon—Ogden, UT 84201
- Pennsylvania—Philadelphia, PA 19255
- Rhode Island—Andover, MA 05501
- South Carolina—Atlanta, GA 31101
- South Dakota—Ogden, UT 84201
- Tennessee—Memphis, TN 37501
- Texas—Austin, TX 73301
- Utah—Ogden, UT 84201
- Vermont—Andover, MA 05501
- Virginia—Memphis, TN 37501
- Washington—Ogden, UT 84201
- West Virginia—Memphis, TN 37501
- Wisconsin—Kansas City, MO 64999
- Wyoming—Ogden, UT 84201

**Form 1040A**

**You Should Be Able to Use Form 1040A If:**

- You had only wages, salaries, tips, interest, dividends, and unemployment compensation.
- You did not have more than \$400 in interest or \$400 in dividends. Exception: If you had more than \$400 in interest or dividends, you can still use Form 1040A if you are filing only to get a refund of the Earned Income Credit.
- Your total income is \$20,000 or less (\$40,000 or less if you are married filing a joint return).
- You do not itemize your deductions.
- You do not claim adjustments to income.
- You do not claim credits other than the Earned Income Credit or the Political Contributions Credit.

**You may WANT to use Form 1040 and you may pay less tax if:**

- You can itemize your deductions.
  - You can claim adjustments to income.
  - You can claim credits which you can't claim on Form 1040A.
- You may HAVE TO use Form 1040 because of:**
- The amount or kind of income you receive.
  - Your filing status
  - The number of exemptions you claim.
  - Forms or schedules you file, or other taxes that can be reported only on Form 1040.

**You Must Use Form 1040 If:**

- Your total income is more than \$20,000 (more than \$40,000 if married and filing a joint return).
- You received more than \$400 in interest, or \$400 in dividends. Exception: If you had more than \$400 in interest or dividends, you can still use Form 1040A if you are filing only to get a refund of the Earned Income Credit.
- You are required to complete Part III of Schedule B (Form 1040) because:

- a. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.
- b. You were a grantor of or a transferor to a foreign trust that existed during 1979.

**Kinds of Income**

You had income other than wages, salaries, tips, interest, dividends, and unemployment compensation. Examples are:

- Income from self-employment (including farming), or gain from the sale of your home or other property, or capital gain distributions.
- Pensions or annuities, including lump-sum distributions.
- Alimony.

**Number of Exemptions**

You claim:

- 4 or more exemptions and are single or married filing a separate return.
- 9 or more exemptions and are a head of household.
- 10 or more exemptions and are married filing a joint return.

**Filing Status**

• Your spouse files a separate return and itemizes deductions. Exception: You can still use Form 1040A if you have a dependent child and can meet the tests on page 8 under **Married Persons Who Live Apart (and Abandoned Spouses)**.

• You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of \$1,000 or more, AND you had wages, salaries, or other earned income of less than: a. \$2,300 if you are single, or b. \$1,700 if you are married and filing a separate return.

• You are a qualifying widow(er) with a dependent child. (This filing status permits you to use lower tax rates.) If your spouse died in 1977 or 1978 and you did not remarry before the end of 1979, you can use this filing status if you meet all of the following tests:

- a. You could have filed a joint return with your spouse for the year your spouse died.
- b. Your dependent child or stepchild lived with you.
- c. You paid over half the cost of keeping up the home for this child for the whole year.
- d. You were a nonresident alien during any part of 1979 and do not file a joint return.

• You were married to a nonresident alien at the end of 1979 who had U.S. source income and you do not file a joint return. Exception: You can still use Form 1040A if you meet the tests on page 8 under **Married Persons Who Live Apart (and Abandoned Spouses)**.

**Itemized Deductions**

- Payments for medical insurance and medical and dental care which are more than 3% of your adjusted gross income.
- Interest on loans and mortgages.
- Local, State, and real estate taxes.
- Gifts to churches, charities, Cancer Society, Red Cross, United Way, and similar organizations.
- Union dues, safety helmets, tools, professional journals, or other materials used in your job.
- Net personal casualty or theft loss which is more than \$100.

**Here is a Test to Help You Decide Whether to Itemize**

You should itemize if your deductions are more than:

- \$3,400 and you are Married, filing a joint return, or a Qualifying widow(er) with a dependent child.
- \$1,700 and you are Married and filing a separate return.
- \$2,300 and you are either Single or a Head of household.

**Other Forms**

You file any of these forms:

- Form 1040—ES: Declaration of Estimated Tax for Individuals, for 1979 (or if you want to apply any part of your 1979 overpayment to estimated tax for 1980).
- Schedule C (Form 1040), Income Averaging.
- Form 2210, Underpayment of Estimated Tax by Individuals.
- Form 2555, Deduction from, or Exclusion of, Income Earned Abroad.
- Form 4563, Exclusion of Income from Sources in United States Possessions.
- Form 4868, Application for Extension of Time to File U.S. Individual Income Tax Return.

**Other Taxes**

- You owe any of these taxes:
  - Uncollected employee social security (FICA) tax on tips shown on your Form W-2.
  - Social security (FICA) tax on tips if you received more than \$20 in any month and you did not report all of them to your employer (Form 4137).
  - Tax on an individual retirement arrangement (IRA) (Form 5329).

**Adjustments to Income**

- You claim adjustments to income. Examples are:
  - Moving expenses due to a change in jobs (Form 3903 or Form 3903F).
  - Employee business expenses such as travel (Form 2106).
  - Payments to an individual retirement arrangement (IRA).
  - Interest penalty on early withdrawal of savings.
  - Alimony paid.
  - Disability income exclusion (Form 2440).

**Tax Credits**

- You claim any of these tax credits:
  - Credit for the elderly if you are 65 or over, or under 65 with a pension from a Federal, State, etc. retirement plan (Schedules R and RP).
  - Credit for child and dependent care expenses (Form 2441).
  - Investment credit (Form 3469).
  - Refundable business energy investment credit (Schedule B (Form 3468)).
  - Foreign tax credit (Form 1116).
  - WIN credit (Form 4874).
  - Jobs credit (Form 5884).
  - Credit for Federal tax on special fuels, nonhighway gasoline, and lubricating oils (Form 4136).
  - Credit or refund for Federal tax on gasoline, diesel fuel, and special fuels used in qualified taxicabs' (Form 4136-T).
  - Credit for taxes paid by a regulated investment company (Form 2439).
  - Credit for residential energy saving items (Form 5695).

1040A U.S. Individual Income Tax Return 1979

Form 1040A header section including filer information: John I + Mary Brown, 685 Scott Street, Hometown, Maryland 01234. Includes checkboxes for filing status (Single, Married, Head of household) and marital status.

Exemptions section (lines 4-6) with handwritten entries: 4 (Youself), 5a (Spouse), 6 (Total number of exemptions claimed: 3). Includes checkboxes for dependent children and other dependents.

Income section (lines 7-11) with handwritten entries: 7 (Wages, salaries, tips, etc.: 9,000.00), 8 (Interest income: 80.00), 9a (Dividends: 100.00), 10 (Unemployment compensation: 120.00), 11 (Adjusted gross income: 9,180.00).

Payments section (lines 12-14) with handwritten entries: 12a (Federal income tax withheld: 457.00), 12b (Total federal income tax withheld: 703.00), 13 (Tax on amount on line 11: 560.00).

Refund section (lines 14a-15) with handwritten entries: 14a (Advance earned income credit: 402.00), 14b (Total (add lines 14a and 14b): 58.00), 15 (Total amount to be refunded: 460.00).

Signature and date section (lines 16-17) with handwritten entries: 16 (Date: 2/15/80), 17 (Signature: Mary Brown). Includes checkboxes for preparer's signature and date.

Form 1040A footer section including instructions for filing, and the form number 1040A (1979).

Here's How to Fill in Form 1040A

(Circled numbers on the sample form on page 6 are keyed to circled numbers in the explanations that follow.)

1 Name, Address, and Social Security Number

Please use the mailing label on the cover of the tax forms package we sent you and correct your name and address, if necessary. If the labels for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order. Also show your apartment number if you have one. If you did not receive forms with a label, print or type your name and address in the appropriate block on your return. If you file a joint return and use different last names, please separate the last names with an "and." For example: "Brown and Smith."

If your spouse is a nonresident alien, has no income, and does not have a social security number, please write "NRA" in the block for your spouse's social security number.

If your social security number is wrong on the label, or if you did not receive a label, show your correct number on your return. If you are married, please give social security numbers for both you and your spouse, whether you file joint or separate returns.

If you do not have a social security number, you should get Form SS-5 from a Social Security Administration (SSA) office, post office, or the IRS. File it with your local SSA office as soon as possible to get your number before April 15. If you do not receive a number by then, file your return without it and write "Applied for" in the block for your social security number. Remember to show your occupation (and that of your spouse, for a joint return) in the space in the upper right corner just below the social security number blocks.

2 Presidential Election Campaign Fund

You may have \$1.00 to this fund by checking the Yes box. On a joint return, both of you may choose to have \$1.00 to this fund, or, both may choose not to. One may choose to have \$1.00 to this fund and the other may choose not to. If you check Yes, it will not change the tax or refund shown on your return. Do not claim this amount as a credit for contributions to candidates for public office on line 12a.

3 Boxes 1 through 4 Were You Single or Married?

Check only one box. Your tax rate depends on the box you check.

Filing Status Box 1

Single

This filing status applies if on December 31, 1979, you were one of the following:

- Not married;
• Separated from your spouse by either divorce or separate maintenance decree (You must follow State law to determine if you are divorced or legally separated);
• A widow or widower (If your spouse died in 1979 and you had not remarried, see the instructions for Box 2. If your spouse died in 1977 or 1978 and you have a dependent child, read the filing status instructions on page 5 to see if you can file Form 1040 as a Qualifying widow(er) with dependent child and use joint tax rates to lower your tax.); OR
• Married and you do not file a joint return and you meet the tests under Married Persons Who Live Apart (and Abandoned Spouses), explained in the instructions for Box 3.

Filing Status Box 2

Married Filing a Joint Return (even if only one of you had income)

In most cases, married couples will pay less tax if they file a joint return. You must report all income, exemptions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to.

If your spouse died in 1979, or in 1980 before filing a return for 1979, write in the signature area "Filing as surviving spouse." Show the date of death in the name and address space. If your spouse died in 1977 or 1978 and you have a dependent child, see the instructions on page 5 under Filing Status to see if you can file Form 1040 as a Qualifying widow(er) with dependent child.

If you decide not to file a joint return and plan to file a separate return, see if you can reduce your tax by meeting the tests described under Married Persons Who Live Apart (and Abandoned Spouses) on page 8. If you can, you should check Box 1 for Single or, if you qualify, Box 4 for Head of household.

Special Rule for Aliens

You may file a joint return with your spouse if, at the end of 1979, you were a nonresident alien married to a citizen or resident of the United States, and you and your spouse agree to be taxed on your combined world-wide income.

For more details, please get Publication 519, U.S. Tax Guide for Aliens.

Notes: If you are in doubt about whether to file a joint return or separate returns (discussed on page 8), figure your tax both ways before deciding. If you want us to figure your tax for you, we will do it the way that gives you the smaller tax.

**Filing Status Box 3**

**Married Filing a Separate Return**

Some married taxpayers file separate returns because each wants to be responsible for only his or her own tax or wants to receive his or her own refund. Others file separate returns because their total tax may be less than the tax on a joint return.

If you file a separate return, enter your spouse's full name in the space after Box 3 and your spouse's social security number in the block provided. You each report only your own income, exemptions, and credits, and you are responsible only for the tax due on your own return. Both of you must figure your tax the same way. If you itemize your deductions, your spouse must itemize. (In that case, both of you must file Form 1040 instead of Form 1040A.)

**Community Property States**

Community property States are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.

If you and your spouse live in a community property State, you must follow State law to determine what is community income and what is separate income.

For more details, please get Publication 555, Community Property and the Federal Income Tax.

**Married Persons Who Live Apart (and Abandoned Spouses)**

Some married persons can file as Single or as Head of household and take advantage of tax rates that are lower than those for married persons filing separate returns. This means that you may be able to claim the earned income credit. It also means that if your spouse itemizes deductions, you do not have to. You and your spouse can file this way if you both meet the tests.

You should check Box 1 for Single, and lower your taxes, if you meet all of the following tests:

- a. You file a separate return;
- b. You paid more than half the cost to keep up your home for 1979;
- c. Your spouse did not live with you at any time during 1979; and
- d. For over 6 months of 1979, your home was the principal residence of your child or stepchild whom you can claim as a dependent.

You should check Box 4 for Head of household if your home in test d, above, was the dependent child's principal residence for ALL of 1979. The tax rates for Head of household are even lower than the rates for Single.

**Filing Status Box 4**

**Head of Household**

There are special tax rates for a person who can meet the tests for Head of household. These rates are lower than the rates for Single and Married filing a separate return

You may use this filing status only if on December 31, 1979, you were unmarried (including certain married persons who live apart (and abandoned spouses) or legally separated, and meet test a, or b, below:

- a. You paid more than half the cost of keeping up a home which was the principal residence of your father or mother whom you can claim as a dependent. (Your parent did not have to live with you.)
- b. You paid more than half the cost of keeping up the home you lived in and one of the following also lived in all year (except for temporary absences for vacation, school, etc.):

- 1. Your **unmarried** child, grandchild, foster child, or stepchild. (This person did not have to be your dependent.)  
*Note: If you are filing as Head of household because of an unmarried child, grandchild, foster child, or stepchild who is not your dependent, enter that person's name in the space provided on line 4. Enter only one name. If any other person qualifies you for Head of household, no entry is needed.*
- 2. Your **married** child, grandchild, foster child, or stepchild whom you can claim as a dependent. However, this person does not qualify if he or she is your dependent under the rules on page 10 for **Dependent Supported by Two or More Taxpayers**.
- 3. Any other person listed below whom you can claim as a dependent. However, this person does not qualify if he or she is your dependent under the rules on page 10 for **Dependent Supported by Two or More Taxpayers**.

Grandparent  
Brother  
Sister  
Stepbrother  
Stepsister  
Stepmother  
Stepfather  
Mother-in-law  
Father-in-law  
Brother-in-law  
Sister-in-law  
Daughter-in-law  
Son-in-law  
Aunt  
Nephew  
Niece

*Note: If you received payments under the Aid to Families with Dependent Children (AFDC) program and used them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.*

**4 Lines 5a through 6 Exemptions**

**Line 5a Boxes For Yourself**

Always take one exemption for yourself. Take two exemptions if you were blind or 65 or over. Take three exemptions if you were both blind and 65 or over. Age and blindness are determined as of December 31. However, if your 65th birthday was on January 1, 1980, you can take the extra exemption for age for 1979.

**Proof of Blindness**

If you or your spouse is completely blind, attach a statement to this effect. In cases of partial blindness, you must attach to your return each year a certified statement from an eye physician or registered optometrist that:

- a. you or your spouse cannot see over 20/200 with glasses, or
- b. the field of view is not more than 20 degrees.

If this eye condition will never improve beyond the standards in a, or b., you may attach a certified opinion to this effect from an examining eye physician. You must attach this certification to your return only once. In later years you can still include a statement referring to it.

**Line 5b Boxes**

**For Your Spouse**

You can take exemptions for your spouse if you file a joint return. If you file a separate return, you can take your spouse's exemptions only if your spouse is not filing a return, had no income, and was not the dependent of someone else.

Your spouse's exemptions are like your own. Take one exemption if your spouse was neither blind nor 65 or over. Take two exemptions if blind or 65 or over. Take three exemptions if both blind and 65 or over.

If at the end of 1979 you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you may still take an exemption for your spouse if you file a joint return.

**Death of Spouse**

If your spouse died during 1979, and you did not remarry before the end of 1979, check the boxes for the exemptions you could have taken for your spouse on the date of death. Please see the instructions for **Death of Taxpayer** on page 13.

**Lines 5c and 5d Boxes Children and Other Dependents**

Each person you claim as a dependent has to meet tests a, through e, below:

- a. **Income**  
The dependent received less than \$1,000 gross income. (This test does not have to be met for your child who was under 19 or a full-time student at least 5 months of the year. Please see the instructions for **Student Dependent** on this page.)
- b. **Support**  
The dependent received over half of his or her support from you, or is treated as receiving over half of his or her support from you under the rules on page 10 for **Children or Divorced or Separated Parents, or Dependent Supported by Two or More Taxpayers**. If you file a joint return, the support can be from either spouse.

Support includes items such as food, a place to live, clothes, medical and dental care, and education. In figuring support, use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value.

Do not include in support items like income and social security taxes, premiums for life insurance, or funeral expenses for a deceased dependent.

You must include capital items such as a car or furniture in figuring total support, but only if these items are actually given to, or purchased by, the dependent for the dependent's use or benefit. Do not include the cost of a capital item such as furniture for the household or for use by persons other than the dependent.

In figuring total support, you must include money the dependent used for his or her own support, even if this money was not taxable (for example, social security benefits, gifts, savings, welfare benefits, etc.). If your child was a student, do not include amounts he or she received as scholarships.

For more information get Publication 501, Exemptions.

**c. Married Dependent**

The dependent did not file a joint return with his or her spouse.

**d. Citizenship or Residence**

The dependent was a citizen or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by and living with a U.S. citizen in a foreign country.

**e. Relationship**

The dependent met test 1, or 2, below.

- 1. Was related to you (or your spouse if you file a joint return) in one of the following ways:

Child  
Stepchild  
Mother  
Grandparent  
Or, if related by blood  
Uncle  
Aunt  
Niece

- 2. Was any other person who lived in your home as a member of your household for the whole year.

The term child includes:

- your son, daughter, stepson, stepdaughter,
- a child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption; and
- a foster child who lived in your home as a member of your family for the whole year

**Student Dependent**

Even if your child had income of \$1,000 or more, you can claim the child as a dependent if he or she can meet tests b, c, and d, above.

**AND**

- was enrolled as a full-time student at a school during any 5 months of 1979, or
- took a full-time, on farm training course during any 5 months of 1979. (The course had to be given by a school or a State, county, or local government agency.)

The school must have a regular teaching staff, course of study, and a regularly enrolled body of students in attendance.

The term school includes:

- elementary, junior and senior high schools;
  - colleges and universities;
  - technical, trade, and mechanical schools; and
  - night schools in which the student is enrolled for the number of hours or classes that is considered full-time attendance at a similar day school.
- The term school does not include on-the-job training courses or correspondence schools.

**Children of Divorced or Separated Parents**

If a child's parents together paid more than half of the child's support, the parent who has custody for most of the year can generally take the exemption for that child. But there are exceptions. The parent who does not have custody (or who has the child for the shorter time) may take the exemption if a, or b, below applies.

- That parent gave at least \$600 toward the child's support in 1979, and the decree of divorce or separate maintenance (or a written agreement between the parents) states he or she can take the exemption, OR
- That parent gave \$1,200 or more for each child's support in 1979; and the parent who had custody cannot prove that he or she gave more than the other parent gave.

Note: To figure the amount of support, a parent who has remarried and has custody may count the support furnished by the new spouse.

**Dependent Supported by Two or More Taxpayers**

Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of that person's support. One of the taxpayers may claim the person as a dependent if all of the following tests are met:

1. The tests for income, married dependent, citizenship or residence, and relationship discussed on page 9.
2. The taxpayer paid more than 10% of the dependent's support, and
3. The taxpayer attaches to his or her return a signed Form 2120, Multiple Support Declaration, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption in 1979 for the person he or she helped to support.

**Birth or Death of Dependent**

You can take an exemption for a dependent who was born or who died during 1979 if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

For more information, please get Publication 901, Exemptions.

**Rounding Off to Whole Dollars**

You may round off cents to the nearest whole dollar on your return. But, if you do round off, do so for all amounts. You can drop amounts under 50 cents. Increase amounts from 50 to 99 cents to the next dollar. Example: \$1.39 becomes \$1 and \$2.69 becomes \$3.

**5 Line 7**

**Wages, Salaries, Tips, etc.**

Enter the total of all the wages shown on your W-2 forms. Report all wages you received even if you don't have a W-2 form. If all your tips are not shown on your W-2 forms, add these amounts in too. For a joint return, add the totals for you and your spouse.

If you lose a W-2 form, ask your employer for a new one. If your employer does not give you a W-2 form by January 31, or if the one you have is not correct, contact your employer as soon as possible. Only your employer can issue your W-2 form or correct it. If you can't get a W-2 form from your employer by February 15, contact an Internal Revenue Service office.

**6 Line 8**

**Interest Income**

Enter your total interest income from banks, savings and loan associations, credit unions, and others. Include any interest you received or which was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.) Be sure to include interest on tax refunds.

**7 Line 9**

**Dividends**

Show all your ordinary dividends on line 9a. Fill in your exclusion on 9b. Then subtract 9b from 9a and show the difference on 9c.

You can exclude (subtract) on line 9b, up to \$100 of dividends from qualifying domestic corporations. If both you and your spouse had dividend income from jointly or separately owned stock, you may each subtract up to \$100 of dividend income. Thus, if you are married filing a joint return, you and your spouse may be able to subtract up to \$200 of dividend income. However, neither of you can use any part of the \$100 exclusion not used by the other in the case of stock owned separately.

For example, in our filled-in form on page 6, John Brown had \$200 in dividends and Mary Brown had \$20 on stock they owned separately. Only \$120 may be excluded. If this stock was owned jointly, then John and Mary could exclude \$200 (\$100 each).

Taxable dividends from the following corporations do not qualify for the dividends exclusion:

- a. Foreign corporations, including dividends from controlled foreign corporations.
  - b. Exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.
  - c. Regulated investment companies, unless the companies have told you how much of the dividends qualify for the exclusion.
  - d. Real estate investment trusts (REITs).
- the amounts are distributions out of current earnings and profits. For this purpose, current earnings and profits are limited to taxable income for the year.
- Note: Earnings from savings and loan associations, building and loan associations, or credit unions are often called dividends, but they are really interest and should be shown on line 8.

**8 Lines 10a and 10b**  
**Unemployment Compensation**

Under prior tax law, unemployment compensation payments were not included in gross income. However, the Revenue Act of 1978 provides that unemployment compensation you receive after 1978 may be subject to Federal income tax under certain conditions.

You should get a statement on Form 1099-UC showing the total unemployment compensation paid to you during the year. For payments in 1979, you should receive this statement by January 31, 1980.

Part or all of the unemployment compensation you receive must be included in your income if the total of the unemployment compensation you receive and your other income is more than:

- \$20,000 if you are single (or married, not filing a joint return and did not live with your spouse at any time during the year);
- \$25,000 if you are married and file a joint return; or
- Zero if you are married, not filing a joint return, and lived with your spouse at any time during the year.

Enter on line 10a the amount from Form 1099-UC. To determine if any of the unemployment compensation you received is taxable, please complete the worksheet.

**Unemployment Compensation Worksheet**

How to Figure Your Taxable Amount. Follow the instructions for each line below.

Check only one box:

- A. Single.
- B. Married filing a joint return.
- C. Married not filing a joint return and lived with your spouse at any time during the year.
- D. Married not filing a joint return and DID NOT live with your spouse at any time during the year.

1. Enter the total of the amounts shown on Form 1040A, lines 7, 8, and 9c.	
2. Enter the total amount of unemployment compensation from Form(s) 1099-UC. Enter this amount on Form 1040A, line 10a.	
3. Add lines 1 and 2 and enter the result here.	
4. Enter: \$20,000 if you checked Box A above. \$25,000 if you checked Box B above. —0— if you checked Box C above. —0— if you checked Box D above.	
5. Subtract line 4 from line 3. If zero or less, stop here and enter —0— on Form 1040A, line 10b.	
6. Enter one-half (50%) of the amount on line 5.	
7. Enter the smaller of line 2 or line 6. This is the taxable portion of your unemployment compensation. Enter this amount on Form 1040A, line 10b.	

For example, in our filled-in form, the Browns' taxable unemployment compensation was figured as follows:

**Unemployment Compensation Worksheet**

How to Figure Your Taxable Amount. Follow the instructions for each line below.

Check only one box:

- A. Single.
- B. Married filing a joint return.
- C. Married not filing a joint return and lived with your spouse at any time during the year.
- D. Married not filing a joint return and DID NOT live with your spouse at any time during the year.

1. Enter the total of the amounts shown on Form 1040A, lines 7, 8, and 9c.	9,180.00
2. Enter the total amount of unemployment compensation from Form(s) 1099-UC. Enter this amount on Form 1040A, line 10a.	4,000.00
3. Add lines 1 and 2 and enter the result here.	13,180.00
4. Enter: \$20,000 if you checked Box A above. \$25,000 if you checked Box B above. —0— if you checked Box C above. —0— if you checked Box D above.	25,000.00
5. Subtract line 4 from line 3. If zero or less, stop here and enter —0— on Form 1040A, line 10b.	
6. Enter one-half (50%) of the amount on line 5.	
7. Enter the smaller of line 2 or line 6. This is the taxable portion of your unemployment compensation. Enter this amount on Form 1040A, line 10b.	

Supplemental unemployment benefits received from a company-financed supplemental unemployment bene fit fund are wages and are not considered unemployment compensation for purposes of this computation. Report these benefits on Form 1040A, line 7.

**9 Line 11**

**Adjusted Gross Income**

Add the amounts on lines 7, 8, 9c, and 10b. If line 11 is less than \$10,000, you may be eligible for the Earned Income Credit. Please see page 2 of the instructions.

If line 11 is \$20,000 or less (\$40,000 or less if married filing a joint return), please continue. If line 11 is more than \$20,000 (more than \$40,000 if married filing a joint return) you CANNOT use Form 1040A. You MUST file Form 1040.

**10 Line 12a**

**Credit for Contributions to Candidates for Public Office**

Add up the amounts you gave to help pay campaign expenses of candidates for public office, to political committees, and to newsletter funds of candidates and elected public officials. If you are filing a separate return, enter HALF the amount you gave, but NOT MORE THAN \$50. If you are married, filing a joint return, enter HALF the amount you gave, but NOT MORE THAN \$100.

Note: This credit cannot be larger than the amount of the tax shown on line 14a.

Do not take this credit for the \$1 or \$2 amount you checked to go to the Presidential Election Campaign Fund.



Tax return preparers should be familiar with their responsibilities. Publication 1045, Information for Preparers of Federal Income Tax Returns, lists some of the preparer's other responsibilities and penalties for which he or she may be liable. The publication also contains the regulation citations which govern their work.

General Information

Death of Taxpayer

Did the taxpayer die before filing a return for 1979? If so, the taxpayer's spouse or personal representative must file a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property. If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. If your spouse died in 1979 and you did not re-marry in 1979, you can file a joint return. You can also file a joint return if your spouse died in 1980 before filing a return for 1979. A joint return should show your spouse's 1979 income before death and your income for all of 1979. Please write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign. Show the date of death in the name and address space of Form 1040A.

If you want more details, please get Publication 559, Tax Information for Survivors, Executors, and Administrators.

Recordkeeping

Keep records of income and credits appearing on your tax return until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property.

For more details, get Publication 552, Record-keeping Requirements and a List of Tax Publications.

Penalties and Interest

Late Filing of Return

The law provides a penalty of from 5 percent to 25 percent of the tax due for filing late unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return.

Late Payment of Tax

The penalty for not paying tax when due is 1/2 of 1 percent of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25 percent of the unpaid amount. The penalty applies to any unpaid tax shown on a return. It also applies to any additional tax shown on a bill that is not paid within 10 days from the date of the bill. This penalty is in addition to the applicable interest charge on late payments.

Notes: If you move after filing your return and you are expecting a refund, you should notify the post office that services are being discontinued. Also, notify the Internal Revenue Service Center where you filed your return of your new address change. This will help in forwarding your check to your new address as soon as possible. If you have a joint return, you should also notify the Social Security Administration of your new address as soon as possible in accordance with the IRS.

17 Line 17 Balance Due IRS

If line 15 is larger than line 13, subtract line 13 from line 15 and show the difference on line 17. This is the balance you still owe. If line 17 is less than \$1, you do not have to pay.

You may pay by check or money order made payable to "Internal Revenue Service." Please write your social security number on your check or money order, and attach it to your return.

If your payroll office about IRS is large, you should see your payroll office about increasing the amount of tax withheld from your wages. See Do You Want More or Less Income Tax Withheld in 1980 on page 14.

18 Completing Your Return

Form 1040A is not considered a return unless you sign it. Your spouse must also sign if it is a joint return.

Did You Have Someone Else Prepare Your Return? If you fill in your own return, the space under your signature should remain blank.

If someone prepares your return and does not charge you, that person should not sign your return. Certain others who prepare your return should not sign. For example, your regular, full-time employee or your partner in business does not have to sign. (This list is not all-inclusive.)

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Information area of your return.

If the preparer is self-employed (that is, is not employed by any person or business entity to prepare the return), he or she should check the "self-employed" box in the preparer's section of Form 1040A.

Partners who prepare income tax returns as members of a partnership are considered to be employees for purposes of the income tax return preparer rules, only, and should not check the "self-employed" box. The partners are still considered self-employed for self-employment tax purposes.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The person required to sign your return MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give you a copy of your return in addition to the copy to be filed with IRS.

13 Line 12c Earned Income Credit

If line 11 is less than \$10,000, see the Earned Income Credit Worksheet and instructions on page 2. You may be entitled to a refundable credit based on your earned income (line 7). If you can take the credit, enter on line 12c the credit from line 3 or 4 of this worksheet, whichever applies.

For example, in our filled-in form, the Browns' earned income credit was figured as follows:

Earned Income Credit Worksheet

To figure your credit, follow the instructions below.

Table with 3 columns: Description, Form Reference, Amount. Row 1: Amount from Form 1040A, line 7, \$19,000.00. Row 2: Amount from Form 1040A, line 11, 9,180.00. Row 3: If line 2 above is not over \$6,000, use the amount on line 11 to find the credit here and on Form 1040A, line 12c. Row 4: If line 2 above is over \$6,000, use the amount on line 2 to find the credit in the table on page 27. Enter the credit here and on Form 1040A, line 12c. Total credit: \$103.00.

14 Line 14a Income Tax

To find your tax, use the appropriate Tax Table. If you checked Form 1040A:

- Filing Status Box 1, use Tax Table A (Single) on pages 15-16.
- Filing Status Box 2, use Tax Table B (Married Filing Joint Return) on pages 17-21.
- Filing Status Box 3, Separate Return on pages 22-23.
- Filing Status Box 4, (Head of Household) on pages 24-26.

Instructions for using the Tax Tables are at the beginning of each Table. After you have found the correct tax, enter that amount on line 14a.

The tax shown in the tax tables has been figured so that it already includes your zero bracket amount and your deduction for exemptions.

Note: If your income or exemptions are not covered in the tax table for your filing status, you must file Form 1040 and Schedule TC (Form 1040).

15 Line 14b Advance Earned Income Credit Payments

Enter the total of the Advance Earned Income Credit Payments as shown on your W-2 form(s).

16 Line 16 Your Refund

If line 13 is larger than line 15, subtract line 15 from line 13 and show the difference on line 16. This is the amount that will be refunded to you.

If line 16 is less than \$1, we will not send you a refund unless you ask for it when you file your return. If the refund IRS owes you is large, you should see your payroll office about reducing the amount of tax that is withheld from your wages. See Do You Want More or Less Income Tax Withheld in 1980 on page 14.

11 IRS Will Figure Your Tax and Your Earned Income Credit if You Qualify

If you want us to, we will figure your tax for you. If you paid too much, we will send you a refund. If you did not pay enough, we will bill you for the balance. You will not be charged interest or penalties if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later. We can do this if:

- a. You fill in the parts of your return through line 12a that apply to you. The instructions which start on page 7 explain how to fill in your return.
- b. You use the space between lines 7 and 8 to show your adjusted gross income and your spouse's adjusted gross income separately, if you file a joint return.
- c. You attach all of your W-2 forms to your Form 1040A.
- d. You (and your spouse if filing a joint return) sign and date your return and mail it on or before April 15, 1980.

If you do not want IRS to figure your tax, complete the rest of your return as follows:

12 Line 12b Total Federal Income Tax Withheld (Including Excess FICA and RRTA Tax)

Enter the amount of Federal income tax withheld as shown on your W-2 form. If you have more than one W-2 form, add the amounts of income tax withheld. If you are filing a joint return, add the amounts withheld for you and your spouse. You should also add any excess FICA or RRTA tax. This is explained below.

Too much social security (FICA) tax and railroad retirement (RRTA) tax may have been withheld from your wages if you checked Filing Status Box 2 and you had two or more employers in 1979 who together paid you more than \$22,900 in wages. If so, you can add the excess amount to your income tax withheld. If both you and your spouse had two or more employers in 1979, you have to figure this separately for each of you.

Step 1. Add all FICA and RRTA tax withheld by employers from your wages for 1979 (but not more than \$1,403.77 for each employer). \* Enter the total here \$1,403.77

Step 2. Subtract . . . . . 1,403.77  
Step 3. Add this amount to the Federal income tax withheld and enter it on Form 1040A, line 12b. . . . . \$

\* Note: If any one employer withheld more than \$1,403.77, you should ask the employer to refund the excess to you. You cannot claim it on your return. If you included any excess FICA or RRTA tax on line 12b, write "excess FICA" and show the amount to the left of line 12b entry space.

If you are a railroad employee and if you are adding the excess to your income tax withholding, attach a statement from your employer showing the amount of employee RRTA compensation and the amount of RRTA tax withheld.

1979 Tax Table A

Single (Filing Status Box 1)

For single persons with income of \$20,000 or less on Form 1040A, line 11, who claim 3 or fewer exemptions.

To find your tax: Read down the income column until you find your income as shown on Form 1040A, line 11. Read across to the column headed by the total number of exemptions claimed on Form 1040A, line 6. The amount shown where the two lines meet is your tax. Enter on Form 1040A, line 14a.

Table with columns for income (e.g., 3,300, 3,350, 3,400), exemptions (1, 2, 3), and tax amounts. Includes instructions for Form 1040A, line 6, and Form 1040A, line 11.

Privacy Act Notice

The Privacy Act of 1974 says that each Federal agency that asks you for information must tell you:

- a. Its legal right to ask for the information and whether the law says you must give it.
b. What major purposes the agency has in asking for it, and how it will be used.
c. What could happen if the agency does not receive it.

For the Internal Revenue Service, the law covers:

- Tax returns and any paper filed with them.
• Any questions we need to ask you so we can—
Complete, correct, or process your return.

Figure your tax.
Collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011 and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers.

You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to States, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If a return is not filed, or if we don't receive the information we ask for, the law provides that a penalty may be charged. And we may have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund, interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information.

If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

This is the only notice we must give you to explain the Privacy Act. However, we may give you other notices if we have to examine your return or collect any tax, interest, or penalties.

Interest

Interest will be charged on taxes not paid on or before their due date.

Do You Want More or Less Income Tax Withheld in 1980?

If the amount due IRS on line 17, or the refund IRS owes you on line 16, is large, you should see your payroll office. Ask about filling out a new Form W-4 to change the amount of tax to be withheld from your wages. A working married couple may need to increase the amount of tax withheld from one or both of their wages to avoid owing a large payment when filing their return.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods which could reduce your withholding. For more details, see your employer or get Publication 505, Tax Withholding and Estimated Tax.

If you expect your income in 1980 to be less than \$10,000, you may be eligible for advance payment of your earned income credit during 1980. See your payroll office for further information filing Form W-5, Earned Income Credit Advance Payment Certificate.

Declaration of Estimated Tax

In general, you do not have to file a declaration if you expect that your 1980 tax return will show a tax refund. DR a tax balance due IRS of less than \$100. However, if you file a declaration for 1980, you must use Form 1040 to claim the payments you made.

Please see Form 1040-ES for more details.

Penalty for Not Paying Enough Tax During the Year

If line 17 is \$100 or more and more than 20 percent of line 15, file Form 1040 and attach Form 2210. You may owe a penalty unless you meet one or more of the exceptions explained on Form 2210.

Amended Return

Use Form 1040X to change an income tax return you have already filed (Form 1040 or Form 1040A).

If your return is changed for any reason, it may affect your State income tax liability. This would include changes made as a result of an examination of your return by the IRS. Contact your State tax agency for more information.

1979 Tax Table A/Single (Filing Status Box 1)—Continued

Table with columns for tax amounts (11,100 to 18,950) and exemption counts (1-3). Includes sub-headers for 'If Form 1040A, line 11, is—' and 'And the total number of exemptions claimed on line 6 is—'.

Continued next column

Continued next column

Continued next column

1979 Tax Table B Married Filing Joint Return (Filing Status Box 2)

To find your tax: Read down the income column until you find your income as shown on Form 1040A, line 11. Read across to the column headed by the total number of exemptions claimed on Form 1040A, line 14. Enter on Form 1040A, line 14, the amount shown in this table. Do not take a separate deduction for them.

Table with columns for tax amounts (5,400 to 11,000) and exemption counts (1-9). Includes sub-headers for 'If Form 1040A, line 11, is—' and 'And the total number of exemptions claimed on line 9 is—'.

Continued next column

Continued next page

1979 Tax Table B/ Married Filing Joint Return (Filing Status Box 2)—Continued

Table with columns for tax amounts (18,450 to 25,500) and exemption counts (0 to 9). Includes sub-headers for 'If Form 1040A, line 11, is—' and 'If Form 1040A, line 12, is—'.

1979 Tax Table B/ Married Filing Joint Return (Filing Status Box 2)—Continued

Table with columns for tax amounts (18,450 to 25,500) and exemption counts (0 to 9). Includes sub-headers for 'If Form 1040A, line 11, is—' and 'If Form 1040A, line 12, is—'.

1979 Tax Table B/Married Filing Joint Return (Filing Status Box 2)—Continued

Table with columns for Form 1040A line 11, Over, But not over, and 9 exemption categories (1-9). Rows list tax amounts from 25,600 to 32,950.

Continued on next page

1979 Tax Table B/Married Filing Joint Return (Filing Status Box 2)—Continued

Table with columns for Form 1040A line 11, Over, But not over, and 9 exemption categories (1-9). Rows list tax amounts from 32,950 to 40,000.

Continued on next page

1979 Tax Table C

Married Filing Separate Return (Filing Status Box 3)

To find your tax: Read down the income column until you find your income as shown on Form 1040A, line 11. Read across to the column headed by the total number of exemptions claimed on Form 1040A, line 6. The amount shown where the two lines meet is your tax. Enter on Form 1040A, line 14a.

The \$1,700 zero bracket amount and your deduction for exemptions have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Caution: You must use Form 1040A, (1) Your spouse itemsizes deductions on Form 1040A, (2) You have no other income (taxes on your parents' return AND you have unearned income (interest on your dividends) of \$1,000 or more AND your earned income is less than \$1,700.

Table with columns for income (line 11), exemptions (line 6), and tax amounts. Includes sub-headers for 'If Form 1040A, line 11, is—' and 'Your tax is—'. Rows range from \$2,000 to \$10,000.

Continued next column

1979 Tax Table C/Married Filing Separate Return (Filing Status Box 3) - Continued

Continuation of the 1979 Tax Table C, showing income levels from \$10,000 to \$18,000 and corresponding tax amounts across multiple columns.

Continued next column

To find your tax: Read down the income column until you find your income as shown on Form 1040A, line 11. Read across to the column headed by the total number of exemptions claimed on Form 1040A, line 11. Enter on Form 1040A, line 14, the tax amount shown in this table. Do not take a separate deduction for them.

Table with columns for income levels (e.g., \$1,000, \$1,500, \$2,000) and exemption counts (1-8). Rows represent different income brackets. Includes a 'Continued on next page' note at the bottom right.

Continued on next page

1979 Tax Table D/Head of Household (Filing Status Box 4)—Continued

Table with columns for income levels (e.g., \$500, \$600, \$700) and exemption counts (1-8). Rows represent different income brackets. Includes a 'Continued on next page' note at the bottom right.

Continued on next page

1979 Earned Income Credit Table

(Caution—This is not a tax table.)

Read down the column titled "If line 1 or 2 of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 2. Read across to the right and find the amount of your earned income credit. Enter that amount on line 3 or 4 of the worksheet, whichever applies.

Table with 11 columns: If Form 1040A, line 11, is—; And the total number of exemptions claimed on line 6 is—; If Form 1040A, line 11, is—; And the total number of exemptions claimed on line 6 is—; If line 1 or 2 of the worksheet is—; Your earned income credit is—; If line 1 or 2 of the worksheet is—; Your earned income credit is—; If line 1 or 2 of the worksheet is—; Your earned income credit is—; If line 1 or 2 of the worksheet is—; Your earned income credit is—.

1979 Tax Table D/Head of Household (Filing Status Box 4)—Continued

Table with 11 columns: If Form 1040A, line 11, is—; And the total number of exemptions claimed on line 6 is—; If Form 1040A, line 11, is—; And the total number of exemptions claimed on line 6 is—; Your tax is—; Your tax is—; Your tax is—; Your tax is—; Your tax is—; Your tax is—; Your tax is—.



### To Call IRS Toll-Free for Answers to Your Federal Tax Questions, Use Only the Number Listed Below for Your Area

**Caution:** We are happy to answer questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax. To make sure that courteous and correct answers are given to taxpayers, a toll-free number given.

"Toll free" is a telephone call for which you pay only local charges with no long-distance charge. Please use a local city number only if it is not a long-distance call for you. Otherwise, use the general toll-free number given.

- Alabama**  
Birmingham, 252-1155  
Decatur, 355-1895  
Montgomery, 335-22751  
Mobile, 433-5532-8441  
Montgomery, 904-8441  
Mobile, 904-767-0301  
Tuscaloosa, 759-4434  
Elsewhere in Alabama, 800-292-6300
- Alaska**  
Anchorage, 276-1040  
Elsewhere in Alaska, call operator and ask for Zenith 3700
- Arizona**  
Phoenix, 257-1233  
Tucson, 882-4181  
Elsewhere in Arizona, 800-352-6911
- Arkansas**  
Little Rock, 376-4401  
Elsewhere in Arkansas,  
1-800-482-9350
- California**  
Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Assistance.
- Colorado**  
Denver, 825-7041  
Elsewhere in Colorado,  
1-800-332-2060
- Connecticut**  
Hartford, 249-8251  
Elsewhere in Connecticut,  
1-800-343-9000
- Delaware**  
Wilmington, 573-6400  
Elsewhere in Delaware,  
1-800-292-9576
- District of Columbia**  
Call 488-3100
- Florida**  
Fort Lauderdale, 522-0704  
Jacksonville, 354-1760  
Miami, 358-5072  
Orlando, 422-2550  
St. Petersburg, 823-7459  
Sarasota, 371-4526  
Tampa, 223-9741  
West Palm Beach, 655-7250  
Elsewhere in Florida, 1-800-342-8300
- Georgia**  
Atlanta, 522-0050  
Augusta, 724-3946  
Columbus, 327-7491  
Macon, 746-4993  
Savannah, 355-1045  
Elsewhere in Georgia, 1-800-222-1040
- Hawaii**  
Hawaii, 935-4895  
Oahu, 546-8660  
Kauai, 245-2731  
Lanai, call operator and ask for Enterprise 8036  
Maui, 244-7654  
Molokai, call operator and ask for Enterprise 8034
- Idaho**  
Boise, 336-1040  
Elsewhere in Idaho, 800-632-5990
- Illinois**  
Chicago, 435-1040  
Elsewhere in area code 312 (except city of Chicago) and residents in Joliet Region Telephone Directory,  
800-972-5400  
Belleville, 277-5500  
Danville, 443-6755  
Decatur, 429-8025  
East St. Louis, 875-5100  
Peoria, 673-0002  
Springfield, 789-4220  
Elsewhere in all other locations in Illinois,  
800-292-2921
- Indiana**  
Evansville, 424-6481  
Fort Wayne, 426-8300  
Gary, 938-0560  
Hammond, 938-0560  
Indianapolis, 269-5477  
South Bend, 232-3981  
Elsewhere in Indiana, 1-800-382-9740
- Iowa**  
Des Moines, 284-4850  
Elsewhere in Iowa, 800-362-2600
- Kansas**  
Topeka, 371-4526  
Wichita, 263-2161  
Elsewhere in Kansas, 1-800-362-2190
- Kentucky**  
Lexington, 255-2333  
Louisville, 584-1361  
Northern Kentucky (Covington dialing area), 628-0055  
Elsewhere in Kentucky,  
1-800-428-9100
- Louisiana**  
Baton Rouge, 387-2206  
New Orleans, 581-4440  
Elsewhere in Louisiana,  
1-800-362-6900
- Maine**  
Augusta, 622-7101  
Portland, 775-7401  
Elsewhere in Maine, 1-800-452-8750
- Maryland**  
Baltimore, 962-2690  
Prince Georges County, 488-3100  
Montgomery County, 488-3100  
Elsewhere in Maryland,  
800-492-0460
- Massachusetts**  
Boston, 523-1040  
Elsewhere in Massachusetts,  
1-800-392-6288
- Michigan**  
Ann Arbor, 769-9850  
Detroit, 237-0800  
Flint, 767-8830  
Grand Rapids, 774-8300  
Mount Clemens, 469-4200  
Pontiac, 858-2530  
Elsewhere in area code 313, call  
1-800-462-0830  
Elsewhere in area codes 517, 616, and 906, call 1-800-482-0670
- Minnesota**  
Minneapolis, 291-1422  
St. Paul, 291-1422  
Elsewhere in Minnesota, 800-652-9062
- Mississippi**  
Biloxi, 868-2122  
Gulfport, 868-2122  
Jackson, 948-4500  
Elsewhere in Mississippi,  
1-800-241-3868
- Missouri**  
St. Louis, 364-3111  
Springfield, 887-5000  
Elsewhere in Missouri, 800-392-4200
- Montana**  
Helena, 443-2320  
Elsewhere in Montana,  
1-800-332-2275
- Nebraska**  
Lincoln, 477-6081  
Omaha, 422-1500  
Elsewhere in Nebraska, 800-642-9960
- Nevada**  
Las Vegas, 385-6291  
Reno, 784-5521  
Elsewhere in Nevada, 800-492-6552
- New Hampshire**  
Portsmouth, 436-8810  
Elsewhere in New Hampshire,  
1-800-582-7200
- New Jersey**  
Camden, 966-7333  
Haddonfield, 645-1919  
Jersey City, 672-0600  
Newark, 632-0600  
Paterson, 279-9400  
Trenton, 394-7113  
Elsewhere in New Jersey,  
800-242-6750
- New Mexico**  
Albuquerque, 243-8641  
Elsewhere in New Mexico,  
1-800-527-3880
- New York**  
Albany District  
(Eastern Upstate New York)  
Albany, 449-3120  
Poughkeepsie, 452-7800  
Elsewhere in Eastern Upstate New York, 1-800-342-3700
- Brooklyn District**  
Brooklyn, 596-3770  
Nassau, 294-3600  
Queens, 596-3770  
Suffolk, 724-5000
- Buffalo District**  
(Central and Western New York)  
Buffalo, 855-3955  
Rochester, 763-6770  
Syracuse, 425-8111  
Elsewhere in Central and Western New York, 1-800-462-1560
- Mamhattan District**  
Bronx, 732-0100  
Mamhattan, 732-0100  
Rockland County, 352-8900  
Staten Island, 732-0100  
Westchester County, 997-1510
- North Carolina**  
Charlotte, 874-4040  
Greensboro, 372-7750  
Joplin, 781-8500  
Kansas City, 474-0350  
St. Joseph, 364-3111  
St. Louis, 342-1040  
Springfield, 887-5000  
Elsewhere in North Carolina, 800-422-8800
- North Dakota**  
Fargo, 293-0650  
Elsewhere in North Dakota,  
800-342-4710
- Ohio**  
Cleveland District  
Akron, 293-1141  
Canton, 456-6781  
Cleveland, 823-0000  
Toledo, 239-3770  
Youngstown, 246-1811  
Elsewhere in Northern Ohio,  
1-800-362-9050
- Cincinnati District**  
Cincinnati, 621-6281  
Columbus, 228-0520  
Dayton, 228-0557  
Elsewhere in Southern Ohio,  
1-800-582-1700
- Oklahoma**  
Oklahoma City, 272-9531  
Tulsa, 583-5121  
Elsewhere in Oklahoma,  
1-800-362-3456
- Oregon**  
Eugene, 485-8285  
Medford, 779-3375  
Portland, 221-3960  
Salem, 581-8720  
Elsewhere in Oregon, 800-452-1980
- Pennsylvania**  
Allentown, 437-6966  
Bethlehem, 437-6966  
Erie, 453-5671  
Harrisburg, 783-8700  
Philadelphia, 574-9900  
Pittsburgh, 281-0112  
Elsewhere in area codes 215 and 717, call 800-462-4000  
Elsewhere in area codes 412 and 814, call 800-242-0250
- Rhode Island**  
Providence, 274-1040  
Elsewhere in Rhode Island,  
1-800-662-5055
- South Carolina**  
Charleston, 722-1601  
Columbia, 799-1040  
Greenville, 242-5434  
Elsewhere in South Carolina,  
1-800-241-3868
- South Dakota**  
Aberdeen, 225-9112  
Sioux Falls, 335-8800  
Staten Island, 732-0100  
Westchester County, 997-1510
- Tennessee**  
Chattanooga, 892-3010  
Knoxville, 637-0190  
Memphis, 523-1250  
Nashville, 259-4601  
Elsewhere in Tennessee,  
1-800-342-8420
- Texas**  
Austin, 472-1974  
Beaumont, 835-5076  
Corpus Christi, 888-9431  
Dallas, 742-2440  
El Paso, 532-6116  
Fort Worth, 339-1370  
Houston, 965-0440  
Lubbock, 747-4361  
San Antonio, 229-1700  
Waco, 752-6635  
Wichita Falls, 723-6702  
Elsewhere in Texas, 1-800-492-4830
- Utah**  
Salt Lake City, 524-4060  
Elsewhere in Utah, 1-800-662-5370
- Vermont**  
Burlington, 658-1870  
Elsewhere in Vermont,  
1-800-642-3110
- Virginia**  
Baileys Crossroads (Northern Virginia), 557-9230  
Chesapeake, 461-3770  
Norfolk, 461-3770  
Portsmouth, 461-3770  
Richmond, 649-2361  
Virginia Beach, 461-3770  
Elsewhere in Virginia, 800-552-9500
- Washington**  
Seattle, 259-0961  
Spokane, 456-8350  
Tacoma, 383-2021  
Elsewhere in Washington,  
800-732-1040
- West Virginia**  
Charleston, 345-2210  
Huntington, 523-0213  
Parkersburg, 485-1601  
Wheeling, 233-4210  
Elsewhere in West Virginia,  
1-800-642-1931
- Wisconsin**  
Milwaukee, 271-3780  
Elsewhere in Wisconsin, 800-152-9100
- Wyoming**  
Cheyenne, 338-5250  
Call 1-800-525-6060

**Telephone Assistance Services for Deaf/Hearing Impaired Taxpayers Who Have Access to TV—phone/Teletypewriter Equipment:**  
Hours of Operation  
8:30 A.M. to 6:45 P.M. EST  
Indiana residents, 1-800-382-4059  
Elsewhere in contiguous U.S.  
1-800-428-4732

**How to Get Forms.**

Generally, we mail forms and schedules directly to you by first class mail. If you are unable to receive them, use Form 1040 instead of Form 1040A. You may use the order blank on page 31 to get the forms and schedules you need. You can also get them from Internal Revenue Service offices and at many banks and post offices.

**Where to Send Your Order for Free Forms and Publications.**

Send your order to the "Forms Distribution Center" for your State. If there is more than one Center for your State, send the order to the Center nearest you.

- Alabama  
Caller No. 848, Atlanta, GA 30301
- Alaska  
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P.O. Box 12626, Fresno, CA 93778
- Arkansas  
P.O. Box 2924, Austin, TX 78769
- California  
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- Colorado  
P.O. Box 2924, Austin, TX 78769
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- District of Columbia  
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- Wyoming  
P.O. Box 2924, Austin, TX 78769

**Foreign Addresses**

Taxpayers with legal residences in foreign countries: If European APO or FPO, send order blank to: Forms Distribution Center, Caller No. 848, Atlanta, GA 30301. If Pacific APO or FPO, send order blank to: Forms Distribution Center, P.O. Box 12626, Fresno, CA 93778. Send letter requests for forms to: Director, Office of International Operations, Internal Revenue Service, Washington, DC 20225.

Puerto Rico  
Director's Representative, U.S. Internal Revenue Service,  
Federal Office Building, Chardon Street, Hato Rey, PR 00918.  
Virgin Islands  
Department of Finance, Tax Division, Charlotte Amalie,  
St. Thomas, VI 00801.



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Where you work or bank

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The forms and publications listed below are available at no cost. We will send you 2 copies of each form and 1 copy of each publication you circle. Please cut the order blank on the dotted line and be sure to write your name and address on the other side. Enclose this order blank in your own envelope and address your envelope to the IRS address shown on page 50 for your State or IRS office nearest your city. To help reduce

waste, please order only the forms and publications you think you will need to prepare your return. Attach a separate sheet of paper listing the additional forms you may need which are not listed on the order blank. Please allow 10 days to receive your order through the mail. The items printed in red may be picked up at many banks and post offices.

**Circle Desired Forms and Publications for 1979**

1040 Instructions	Individual Income Tax Return For Form 1040 and Schedules	Schedule G (1040)	Income Averaging
1040A Instructions	Individual Income Tax Return For Form 1040A	Schedules AA-E (1040)	Credit for the Elderly
Schedule A-B (1040)	Itemized Deductions AND Dividend and Interest Income	Schedule 5E (1040)	Computation of Social Security Self-Employment Tax
Schedule G (1040)	Profit or (Loss) From Business or Profession (Sole Proprietorship)	Schedule TC (1040)	Tax Computation Schedule
Schedule D (1040)	Capital Gains and Losses	5695	Energy Credits
Schedule E (1040)	Supplemental Income Schedule	1040-ES	Calculation of Estimated Tax for Individuals (1980)
Schedule F (1040)	Farm Income and Expenses	Pub. 17	Your Federal Income Tax
		Pub. 501	Exemptions
		Pub. 553	Highlights of 1979 Tax Changes

Schedules A & B—Itemized Deductions AND Interest and Dividend Income (Form 1040)

Name(s) as shown on Form 1040 Attach to Form 1040 See Instructions for Schedules A and B (Form 1040)

Schedule A—Itemized Deductions (Schedule B is on back)

Medical and Dental Expenses (not paid or reimbursed by insurance or otherwise) (See page 16 of Instructions)

1 One-half (but not more than \$150) of insurance premiums you paid for medical care (See line to include in line 10 below)

2 Medicines and drugs Enter 1% of Form 1040, line 31

3 Other medical and dental expenses a Doctors, dentists, nurses, etc b Hospitals c Other (itemize—include hearing aids, dentures, eyeglasses, transportation, etc)

4 Subtract line 3 from line 2 If line 3 is more than line 2, enter zero

5 Balance of insurance premiums for medical care not entered on line 1

6 Total (add lines 4 through 6c) Enter 3% of Form 1040, line 31 Subtract line 6 from line 7 If line 8 is more than line 7, enter zero

7 Total (add lines 4 through 6c) Enter 3% of Form 1040, line 31 Subtract line 6 from line 7 If line 8 is more than line 7, enter zero

8 Total medical and dental expenses (add lines 1 and 9) Enter here and on line 33

9 Total miscellaneous deductions (add lines 30 and 31) Enter here and on line 38

10 Total miscellaneous deductions (add lines 30 and 31) Enter here and on line 38

11 State and local income tax Enter here and on line 34

12 Real estate tax Enter here and on line 34

13 General sales (see sales tax tables)

14 Personal property tax Enter here and on line 35

15 Other (itemize) Enter here and on line 35

16 Total taxes (add lines 11 through 15) Enter here and on line 34

17 Home mortgage interest Enter here and on line 35

18 Credit and charge cards Enter here and on line 35

19 Other (itemize) Enter here and on line 35

20 Total interest expense (add lines 17 through 19) Enter here and on line 35

21 a Cash contributions for which you have receipts, cancelled checks, or other written evidence b Other cash contributions (show to whom you gave and how much you gave)

22 Other than cash (see page 17 of instructions for required statement)

23 Carryover from prior years

24 Total contributions (add lines 21a through 23) Enter here and on line 36

25 Loss before insurance reimbursement

26 Insurance reimbursement

27 Subtract line 26 from line 25 If line 26 is more than line 25, enter zero

28 Enter \$100 or amount from line 27, whichever is smaller

29 Total casualty or theft losses (subtract line 28 from line 27) Enter here and on line 37

30 Union dues

31 Other (itemize)

32 Total miscellaneous deductions (add lines 30 and 31) Enter here and on line 38

33 Total medical and dental—from line 10

34 Total taxes—from line 16

35 Total interest—from line 20

36 Total contributions—from line 24

37 Total casualty or theft losses—from line 29

38 Total miscellaneous—from line 32

39 Add lines 33 through 38

40 If you checked Form 1040, Filing Status box 1 or 2, enter \$3,300

3, enter \$1,700

41 Subtract line 40 from line 39 Enter here and on Form 1040, line 33 (If line 40 is more than line 39, see the instructions for line 41 on page 18)

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Do not use the envelope we furnished you in your income tax package because this envelope may be used only for filing your income tax return.

Enter your name and address on this label. It will be used to speed your order for forms to you.

Name
Number and street
City or town, State and ZIP code

DETACH AT THIS LINE

**SCHEDULE D** Capital Gains and Losses (Examples of property to be reported on this Form 1040) Schedule are gains and losses on stocks, bonds, and similar investments, and gains (but not losses) on personal assets such as a home or jewelry. Attach to Form 1040. See Instructions for Schedule D (Form 1040).

Department of the Treasury Internal Revenue Service

Names as shown on Form 1040 Your social security number

Caution: Columns 1 and g are not the same as last year. Most other lines have also been changed.

**Part I Short-term Capital Gains and Losses—Assets Held One Year or Less**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
a. Kind of property and description (Example: 1/2, Co.)	b. Date (Mo., day, yr.) (Mo., day, yr.)	c. Date (Mo., day, yr.) (Mo., day, yr.)	d. Gross sales price less selling expenses (if any)	e. Cost or other basis (see instructions page 25)	f. Date acquired (Mo., day, yr.)	g. Date sold (Mo., day, yr.)	h. Gain or loss (if column (d) more than (e), subtract (e) from (d))	i. Short-term gain or loss (if column (d) more than (e), subtract (e) from (d))	j. Long-term gain or loss (if column (d) more than (e), subtract (e) from (d))	k. Net long-term gain or loss (combine lines 9 and 10)	l. Net gain or loss (combine lines 12 and 13)	m. Net gain or loss (combine lines 14 and 15)	n. Net gain or loss (combine lines 16 and 17)	o. Net gain or loss (combine lines 18 and 19)	p. Net long-term gain or loss (combine lines 10 and 11)	q. Net gain or loss (combine lines 12 and 13)	r. Net gain or loss (combine lines 14 and 15)	s. Net gain or loss (combine lines 16 and 17)	t. Net gain or loss (combine lines 18 and 19)	u. Net long-term gain or loss (combine lines 10 and 11)

**Part II Long-term Capital Gains and Losses—Assets Held More Than One Year**

9	10	11	12	13	14	15	16	17	18	19	20

**Schedule A-B Interest and Dividend Income** (Do not enter name and social security number if shown on other side)

Names as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Page 2 Your social security number

**Part I Interest Income**

1 If you received more than \$400 in interest, complete Part I and Part III. Please see page 9 of the instructions to find out what interest to report. Then answer the questions in Part II, Part III, or jointly. Then answer the questions in Part III, below. If you received dividends as a nominee for another, please see page 19 of the instructions.

Name of payer	Amount

**Part II Dividend Income**

3 If you received more than \$400 in gross dividends (including capital gain distributions) and other distributions on stocks, complete Part II and Part III. Please see page 9 of the instructions to find out what dividends to report. Then answer the questions in Part II, below. If you received dividends as a nominee for another, please see page 19 of the instructions.

Name of payer	Amount

4 Total of line 3  
5 Capital gain distributions (Enter here and on the appropriate line(s) on Schedule D. See Note below.)  
6 Non-taxable distributions  
7 Total (add lines 5 and 6)  
8 Dividends before exclusion (subtract line 7 from line 6). Enter here and on Form 1040, line 10a.  
Note: If your capital gain distributions for the year do not include any dividends for 1978, and the distributions are reported on Schedule D to report any gains or losses, do not file that schedule. Instead, enter the taxable part of your capital gain distributions on Form 1040, line 15.

**Part III Foreign Accounts and Foreign Trusts**

2 Total interest income. Enter here and on Form 1040, line 9.

You are required to list interest in Part I or dividends in Part II. If you have an interest in a foreign account or a trust, you must answer both questions in Part III. Please see page 19 of the instructions.

Yes	No

A At any time during the tax year, did you have an interest in, or a signature or other authority over a bank account, securities account, or other financial asset in a foreign country (see page 19 of the instructions)?  
B Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "yes," you may have to file Forms 3520, 3520-A, or 926.

SCHEDULE E (Form 1040) Supplemental Income Schedule

1979 13

Name(s) as shown on Form 1040 Your social security number

Part I Pension and Annuity Income. If fully taxable, do not complete this part. Enter amount on Form 1040, line 17.

1a Did you and your employer contribute to the pension or annuity? b If "Yes," do you expect to get back your contribution within 3 years from the date you receive the first payment?

1b If "Yes," show your contribution in Part V. c Amount received in prior years. d Contribution received in prior years.

Part II Rented and Royalty Income or Loss. If you need more space, attach a separate sheet. 1 Amount on line 2 that is not taxable. 2 Taxable part (subtract line 3 from line 2).

Part III Income or Losses from: (a) Property, code (describe in Part V) (b) Total amount of rents (c) Total amount of royalties (d) Occupation fee (e) Other expenses (f) Loss (g) Income

Table with 7 columns: (a) Property, code (describe in Part V); (b) Total amount of rents; (c) Total amount of royalties; (d) Occupation fee; (e) Other expenses; (f) Loss; (g) Income. Rows include Property A, B, C, D, E, 7 Amounts from Form 4835, 8 Totals, 9 Total rent and royalty income or (loss).

Part IV Income or Losses from: (a) Name (b) Employer identification number (c) Loss (d) Income

10 Add amounts in columns (c) and (d) and enter here. 11 Combine amounts in columns (c) and (d), line 10, and enter net income or (loss). 12 Additional first-year depreciation. 13 Total partnership income or (loss).

14 Add amounts in columns (c) and (d) and enter here. 15 Total estate or trust income or (loss). 16 Add amounts in columns (c) and (d) and enter here. 17 Total small business corporation income or (loss).

Part V Other income or (loss). 18 TOTAL income or (loss). 19 Enter your share of gross farming and fishing income.

Schedule D (Form 1040) 1979 Page 2 Part III Summary of Parts I and II

21 Combine lines 8 and 20, and enter the net gain or (loss) here. Note: Do not complete line 22 if lines 20 and 21 show a gain, and there is a net gain on line 7 or 19.

22 If line 21 shows a gain— a Enter 60% of line 20 or 60% of line 21, whichever is smaller. Enter zero if there is a loss or no entry on line 20. b Subtract line 22a from line 21. Enter here and on Form 1040, line 14.

23 If line 21 shows a loss— a Enter one of the following amounts: (i) If line 8 is zero or a net gain, enter 50% of line 21. (ii) If line 20 is zero or a net gain, enter line 21, or (iii) If line 8 and line 20 are net losses, enter amount on line 8 added to 50% of the amount on line 20.

b Enter here and enter as a loss on Form 1040, line 14, the smallest of: (i) \$3,000 (\$1,500 if married and filing a separate return), or (ii) Taxable income, as adjusted. Note: If the loss on line 23a is more than the loss shown on line 23b, complete Part V to determine post-1969 capital loss carryovers from 1979 to 1980.

Part IV Computation of Capital Gain Deduction for Sales or Exchanges Before 11/1/78 24 Enter the smaller of line 20 or line 21 (or Form 4798, lines 8 and 9).

25 If line 18 (or Form 4798, line 5) is a gain, combine lines 6 and 18 (or Form 4798, lines 1 and 5), and enter here. If this line or line 18 (or Form 4798, line 5) shows a loss or zero, skip to line 29 and enter zero on line 27.

26 Enter smaller of line 18 (or Form 4798, line 5) or line 25. 27 Enter smaller of line 24 or line 26. 28 Enter 60% of amount on line 27. 29 Subtract line 27 from line 24. 30 Enter 50% of amount on line 29. 31 Add line 28 and line 30. This is your capital gain deduction.

32 Subtract line 31 from line 21 (or Form 4798, line 9). Enter here and on Form 1040, line 14. Part V Computation of Post-1969 Capital Loss Carryovers from 1979 to 1980 (Complete this part if the loss on line 23a is more than the loss shown on line 23b).

Section A—Short-term Capital Loss Carryover 33 Enter loss shown on line 8, if none, enter zero and skip lines 34 through 39—then go to line 39. 34 Enter gain shown on line 20. If that line is blank or shows a loss, enter zero.

35 Reduce any loss on line 33 to the extent of any gain on line 34. 36 Enter amount shown on line 23b. 37 Enter smaller of line 35 or 36. 38 Subtract line 37 from line 35. Note: The amount on line 38 is the part of your short-term capital loss carryover from 1979 to 1980 that is from years beginning after 1969.

Section B—Long-term Capital Loss Carryover 39 Subtract line 37 from line 36 (Note: If you skipped lines 34 through 38, enter amount from line 23b). 40 Enter loss from line 20, if none, enter zero and skip lines 41 through 44. 41 Enter gain shown on line 8. If that line is blank or shows a loss, enter zero.

42 Reduce any loss on line 40 to the extent of any gain on line 41. 43 Multiply amount on line 39 by 2. 44 Subtract line 43 from line 42. Note: The amount on line 44 is the part of your long-term capital loss carryover from 1979 to 1980 that is from years beginning after 1969. If the amount you enter on this line is other than zero, you may be liable for the alternative minimum tax. See Form 1023.

Part VI Property reported in Part II

Table with columns: (a) Description of property, (b) Date acquired, (c) Cost or other basis, (d) Depreciation method, (e) Depreciation for this year, (f) Life or rate.

Part VII Depreciation claimed in Part II. If you need more space, use Form 4562.

Table for depreciation claims with columns: Property A, B, C, D, E and rows for Total additional first-year depreciation and Totals.

Part VIII Expenses claimed in Part II

Table for expenses with columns: A, B, C, D, E and rows for Totals.

SCHEDULE SE (Form 1040) Department of the Treasury Internal Revenue Service

Computation of Social Security Self-Employment Tax

1979 14

Name of self-employed person (as shown on social security card)

Social security number of self-employed person

Part I Computation of Net Earnings from FARM Self-employment

Regular Method

- 1 Net profit or (loss) from: a Schedule F (Form 1040), b Farm partnerships, 2 Net earnings from farm self-employment, Farm Optional Method, 3 If gross profits from farming are: a Not more than \$2,400, b More than \$2,400 and the net farm profit is less than \$1,600, 4 Enter here and on line 12a, the amount on line 2, or line 3 if you elect the farm optional method.

Part II Computation of Net Earnings from NONFARM Self-employment

Regular Method

- 5 Net profit or (loss) from: a Schedule C (Form 1040), b Partnerships, joint ventures, etc. (other than farming), c Service as a minister, member of a religious order, or a Christian Science practitioner, d Service with a foreign government or international organization, e Other (specify), 6 Total (add lines 5a through 5e), 7 Enter adjustments if any (attach statement, see page 29 of instructions), 8 Adjusted net earnings or (loss) from nonfarm self-employment, Note: If line 8 is \$1,600 or more or if you do not elect to use the Nonfarm Optional Method, skip lines 9 through 11 and enter amount from line 8 on line 12b, Part III.

Nonfarm Optional Method

- 9 a Maximum amount reportable under both optional methods combined (farm and nonfarm), b Enter amount from line 3. (If you did not elect to use the farm optional method, enter zero), c Balance (subtract line 9b from line 9a), 10 Enter two-thirds of gross nonfarm profits or \$1,600, whichever is smaller, 11 Enter here and on line 12b, the amount on line 9c or line 10, whichever is smaller.

Part III Computation of Social Security Self-employment Tax

12 Net earnings or (loss):

- e From farming (from line 4), b From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), 13 Total net earnings or (loss) from self-employment reported on lines 12a and 12b, (If line 13 is less than \$400, you are not subject to self-employment tax. Do not fill in rest of schedule), 14 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1979 is, 15 e Total "FICA" wages (from Forms W-2 and "RRTA" compensation), b Unreported tips subject to FICA tax from Form 4137, line 9 or to RRTA

- e Add lines 15a and 15b, 16 Balance (subtract line 15c from line 14), 17 Self-employment income—line 13 or 16, whichever is smaller, 18 Self-employment tax (if line 17 is \$22,900, enter \$1,854.90; if less, multiply the amount on line 17 by .081). Enter here and on Form 1040, line 48.

SCHEDULE TC (Form 1040) Department of the Treasury Internal Revenue Service

Tax Computation Schedule

1979

Form 2555 Deduction from, or Exclusion of, Income Earned Abroad

1979 31

Name(s) as shown on Form 1040

Your social security number

Name of taxpayer Foreign address (including Country) Social security number Your occupation

Part I Computation of Tax for Taxpayers Who Cannot Use the Tax Tables

Use this part to figure your tax if:
1. Your income on Form 1040, line 34, is more than \$40,000 and you checked Filing Status Box 2 or 5 on Form 1040
2. You had more exemptions than were shown in the Tax Table for your filing status
3. You figure your tax using Schedule G (Income Averaging) or Form 4726 (Maximum Tax on Personal Service Income)

Table with 4 rows and 2 columns. Row 1: Enter the amount from Form 1040, line 34. Row 2: Multiply \$11,000 by the total number of exemptions claimed on Form 1040, line 7. Row 3: Taxable income. Subtract line 2 from line 1. Row 4: Income tax. Enter tax and check if from Form 1040, line 35.

Part II Computation for Certain Taxpayers Who MUST Itemize Deductions

If you are included in one of the groups below, you MUST itemize if you must itemize and the amount on Schedule A (Form 1040), line 40, is more than your itemized deductions on Schedule A, line 30. You must complete Part II before figuring your tax. You MUST itemize your deductions if:
A. You can be claimed as a dependent on your parents', return and had interest on bonds, or other itemized income of less than \$2,000 (more than \$1,700 if married filing a separate return)

Table with 5 rows and 2 columns. Row 1: Enter the amount from Form 1040, line 31. Row 2: Enter tax from Form 1040, line 34. Row 3: Enter the amount from Schedule A, line 30. Row 4: Subtract line 3 from line 2. Row 5: Add lines 1 and 4. Enter here and on Form 1040, line 4.

The examples below may help you figure your tax. Example: Walter Gross, a single individual, earned \$5,000 in 1979. He has itemized deductions of \$2,000. He has earned income of \$3,000. He has a summer job and earned income that he received as a fringe benefit of a trust. Because Walter is single and his dependent on his parents is \$1,700 or more and earned income of less than \$2,000, he must itemize his deductions.

Part I To be Completed for Physical Presence Only (See Instruction 9)

7. The 18-month period that the test of physical presence in foreign countries is based on is from through
8. Enter your principal country of employment during your tax year
9. Enter all travel abroad during the 18-month period that the test is based on, except travel between foreign countries that did not involve travel on or over international waters for 24 hours or more. If the last entry is an arrival in a foreign country, enter the number of full days to the end of 18-month period if you have no travel to report during the period. Write in the schedule that you were physically present in a foreign country or countries during the entire 18-month period and on Form 1040, line 34.

Table with 3 columns: Name of country (including U.S.), Date arrived, Date departed. Includes a note: Note: If Walter's itemized deductions are more than his earned income, he must complete Schedule A first.

Part II To be Completed for Bona Fide Residence Only (See Instruction 8)

1. List the countries where you have lived and the dates of residence during your 1978 and 1979 tax years
2. Kind of living quarters in foreign country
3. Did any of your family live with you abroad during any part of the tax year?
4. If "Yes," who and for what period?
5. Complete the following for days present in the U.S. or possessions during the tax year:

Table with 4 columns: Date arrived from U.S., Date arrived from U.S., Date departed from U.S., Number of days in U.S. Includes a note: Do not include this income on Part III, Report on Form 1040.

6. State any contractual terms or other conditions relating to the length of your employment abroad
(b) State the type of visa you entered the foreign country under
(c) Did your visa contain any limitations as to the length of your stay or employment in a foreign country?
(d) Did you maintain a home in the U.S. while residing abroad?

Do not include this income on Form 1040
Do not include this income on Part III, Report on Form 1040

Form 2555 Deduction from, or Exclusion of, Income Earned Abroad

SCHEDULE TC (Form 1040) Department of the Treasury Internal Revenue Service

Tax Computation Schedule

1979

Name(s) as shown on Form 1040

Your social security number

Name of taxpayer Foreign address (including Country) Social security number Your occupation

Part I Computation of Tax for Taxpayers Who Cannot Use the Tax Tables

Use this part to figure your tax if:
1. Your income on Form 1040, line 34, is more than \$40,000 and you checked Filing Status Box 2 or 5 on Form 1040
2. You had more exemptions than were shown in the Tax Table for your filing status
3. You figure your tax using Schedule G (Income Averaging) or Form 4726 (Maximum Tax on Personal Service Income)

Table with 4 rows and 2 columns. Row 1: Enter the amount from Form 1040, line 34. Row 2: Multiply \$11,000 by the total number of exemptions claimed on Form 1040, line 7. Row 3: Taxable income. Subtract line 2 from line 1. Row 4: Income tax. Enter tax and check if from Form 1040, line 35.

Part II Computation for Certain Taxpayers Who MUST Itemize Deductions

If you are included in one of the groups below, you MUST itemize if you must itemize and the amount on Schedule A (Form 1040), line 40, is more than your itemized deductions on Schedule A, line 30. You must complete Part II before figuring your tax. You MUST itemize your deductions if:
A. You can be claimed as a dependent on your parents', return and had interest on bonds, or other itemized income of less than \$2,000 (more than \$1,700 if married filing a separate return)

Table with 5 rows and 2 columns. Row 1: Enter the amount from Form 1040, line 31. Row 2: Enter tax from Form 1040, line 34. Row 3: Enter the amount from Schedule A, line 30. Row 4: Subtract line 3 from line 2. Row 5: Add lines 1 and 4. Enter here and on Form 1040, line 4.

The examples below may help you figure your tax. Example: Walter Gross, a single individual, earned \$5,000 in 1979. He has itemized deductions of \$2,000. He has earned income of \$3,000. He has a summer job and earned income that he received as a fringe benefit of a trust. Because Walter is single and his dependent on his parents is \$1,700 or more and earned income of less than \$2,000, he must itemize his deductions.

Part III To be Completed by All Taxpayers

10 Enter below all, including nontaxable remuneration, income from sources outside the United States earned during 1979. (See instructions 7, 10(b), 10(c), and 10(d).) Is part of the income (such as bonuses) for services performed in 1979, but received in another tax year? Yes No

11 Total wages, salaries, bonuses, commissions, etc., earned this year.
12 Pensions and annuities (see instruction 10(d)).
13 Allowable share of income for personal services rendered this year (see instructions 7 and 10(a)).

14 Nontaxable remuneration (market value of property or facilities furnished by employer)—attach statement showing how determined:
(a) Home (lodging)
(b) Meals
(c) Car
(d) Other property or facilities (specify)

15 Other foreign earned income (specify)
16 Allowances, reimbursements, or expenses paid on your behalf for services rendered this year:
(a) Cost of living
(b) Overseas differential
(c) Family
(d) Education
(e) Home leave
(f) Quarters
(g) For any other purpose (specify)

17 Total allowances, reimbursements, etc. Add lines 16(a) through 16(g).
18 (a) Value of meals and lodging included in income above which are excludable under section 119. (See instruction 10(c)).
(b) Net earned income from foreign sources (subtract line 18(a) from line 17).

19 Did you maintain a separate foreign residence for your family due to adverse living conditions at your tax home? If "Yes," give city and country of the separate foreign residence. Also show number of days during your tax year that you maintained a second household at that address.
20 List your tax home(s) during your tax year.
Did you change your tax home at any time during your tax year?
Note: If you answered "Yes" to either 19 or 20 above, see instructions 11, 15, and 17 before completing this form.

21 Did you live in a camp located in a hardship area for the convenience of your employer? (See instruction 18 for a description of what is considered a camp.) If "Yes," you may elect (a) or (b) below. If "No," you may claim (b) below.
(a) You may exclude from gross income the amount of \$20,000 (prorated on a daily basis for days you lived in a camp). See Part V.
(b) You may claim the deduction for excess foreign living expenses. See Part IV.

Part IV To be Completed by Taxpayers Claiming the Deduction for Excess Foreign Living Expenses

22 Complete the following for each dependent child for whom you claim a schooling expense deduction.
Name of dependent child Age Address (including country) of school attended
Schooning expense allowed

23 Total qualified schooling expenses. Enter here and on lines 31(b) and 36.
24 Enter total number of trips for which you are claiming a deduction. Count each trip by you, your spouse, and your dependents as a separate trip. Total expense for all trips, also enter on lines 31(c) and 37.

25 Name of hardship area Date tax home was established ended
26 Maximum amount \$ 5,000.00
27 Number of days that you qualified during the tax year
28 Percentage applicable (divide the number of days on line 27 by 365). Also enter on lines 31(d) and 38
29 Allowable amount (multiply the amount on line 26 by the percent on line 28).

30 Expenses paid or incurred for housing at your tax home during the year. (If you maintained a qualified second household, see instruction 17 for additional information.)
31 Figure your base housing amount as follows. Enter:
(a) Earned income from all sources (see instruction 16)
(b) Qualified schooling expenses (from line 23)
(c) Qualified home leave transportation expenses (from line 24)
(d) Qualified hardship area amount (from line 29)
(e) Qualified cost-of-living differential (from tables—see instruction 15)
(f) Housing expenses from line 30
(g) Total expenses (add lines 31(b) through 31(f))
(h) Subtract line 31(g) from line 31(e)
(i) Base housing amount: Enter 20% (1/5) of line 31(h)
(j) Subtract line 31(i) from line 30. If less than zero, enter zero.

32 If you maintained a qualified second household, enter earned income as modified by instruction 17(b)(i). Otherwise, omit line 33 and enter zero on line 34(e).
33 Amount from line 31(e)
34 Housing expenses for qualified second household
(b) Add line 34 and line 34(a)
(c) Subtract line 34(b) from line 33. If less than zero, enter zero.
(d) Base housing amount for second household; enter 20% (1/5) of line 34(c)
(e) Subtract line 34(d) from line 34(a)

35 Total qualified housing expenses. If you maintained a qualified second household and your tax home was in a hardship area, enter total of amounts on lines 30 and 34(e). Otherwise, enter the total of lines 32 and 34(e). Also enter on line 40.
Summary of Excess Foreign Living Expenses

36 Qualified schooling expenses from line 23
37 Qualified home leave transportation expenses from line 24
38 Qualified hardship area amount from line 29
39 Qualified cost-of-living differential from line 31(e)
40 Qualified housing expenses from line 35
41 Total expenses (add lines 36 through 40)
42 Limitation:

(a) Total earned income from foreign sources (from Part III, line 18(b)).
(b) Adjustments allocable to income from foreign sources (see instruction 11(b)).
(c) Net earned income from foreign sources (subtract line 42(b) from line 42(a)). If less than zero, enter zero.
43 Deduction for excess foreign living expenses. Enter the amount from line 41 or 42(c), whichever is smaller. Also enter this amount on Form 1040, line 24, and label it as "Expense from Form 2555."



4625  
Form 1979

Computation of Minimum Tax—Individuals

See instructions on back. Attach to Form 1040.

Your social security number 25

File this form if the total of tax preference items (line 2) is more than \$10,000 (\$5,000 if you are married filing separately) even though you owe no minimum tax, OR if you have any minimum tax liability deferred from an earlier tax year until this year. If this is a short period return, see instructions for line 8.

1 Tax preference items.

(Note: Adjusted itemized deductions and capital gains are now tax preference items for the alternative minimum tax. See Form 6251.)

- (a) Accelerated depreciation on real property— (1) Low income rental housing under section 167(k) or amortization of certified historic structures under section 191. (2) Other real property. (b) Accelerated depreciation on personal property subject to a lease. (c) Amortization of certified pollution control facilities. (d) Amortization of railroad rolling stock. (e) Amortization of on-the-job training facilities. (f) Amortization of child care facilities. (g) Reserves for losses on bad debts of financial institutions. (h) Stock options. (i) Depletion. (j) Intangible drilling costs.

- 2 Total tax preference items. Add lines 1(a) through 1(j). 3 Amount from Form 1040, line 47\*. 4 Tax from recomputing prior-year investment credit. 5 Tax from recomputing prior-year Work Incentive (WIN) credit. 6 Tax on premature redemption of Individual Retirement Bond(s).

- 7 Add lines 3 through 6. 8 Enter the larger of: (a) one-half of the amount on line 7, or (b) \$10,000 (\$5,000 if you are married filing separately).

- 9 Subtract line 8 from line 2 (if line 8 is more than line 2, enter zero).

- 10 Multiply amount on line 9 by 15%.

- 11 Enter any 1979 net operating loss carryover to 1980 (attach statement showing computation).

- 12 Multiply amount on line 11 by 15%.

- 13 Offered minimum tax. Enter the amount from line 10 or line 12, whichever is smaller.

- 14 Minimum tax. Subtract line 13 from line 10.

- 15 Enter minimum tax deferred from earlier year(s) until this year (attach statement showing computation).

- 16 Total minimum tax. Add lines 14 and 15.

- 17 Excess tax credits. See instructions for line 17 before completing this section. If Form 1040, line 47, is more than zero, this section will not apply. Skip lines 17(a) through 18 and enter the amount on line 19.

- (a) Credit for the elderly. (b) Credit for political contributions. (c) Credit for child care expenses. (d) Residential energy credits.

- 18 Add lines 17(a) through 17(d).

- 19 Subtract line 18 from line 16. Enter here and on Form 1040, line 49e.

\*Do not include any tax from Form 4970, Form 4972, Form 5344, or any penalty tax under sec. 72(m)(5).

Form 4625 (1979)

Part IV To be Completed by Taxpayers Claiming the Exclusion of Income Earned in a Hardship Area Camp (See Instruction 18)

44 Complete the following for days you lived in a hardship area during the tax year.

Table with columns: Name of hardship area, Date arrived, Date departed, Full days you lived in hardship area, Number of days you resided in area qualified.

45 Total number of full qualifying days in all hardship areas (Enter here and on line 47 below).

46 Maximum exclusion \$20,000.00

47 Number of days that you qualified for exclusion during the tax year (from line 45 above).

48 Percentage applicable (divide the number of days on line 47 by 365).

49 Maximum allowable exclusion (multiply the amount on line 46 by the percent on line 48).

50 Enter the exclusion from line 49 or the amount you earned during the days you qualified, whichever is smaller.

51 Deductions allocable to excluded income (See instruction 18(c) and attach a schedule).

52 Subtract line 51 from line 50. Enter here and in parenthesis on Form 1040, line 21, and label it "Exclusion from Form 2555". (On Form 1040, subtract the amount from your income to arrive at Total Income on line 22.)

Instructions

(Section references are to the Internal Revenue Code unless otherwise specified.)

Who Must File.—You must file this form if either of the following applies to you:

- (a) You have a net operating loss carryover from 1978 that exceeds the amount of the reserve for bad debts over the reasonable addition to the reserve for bad debts that would have been allowable for all tax years based on actual experience. See section 57(a)(7) and regulation section 1.57-1(e).
- (b) You have any minimum tax liability postponed from 1978 to 1979. See the instruction for line 8.

Line 1. Tax preference items.—

- (a) Accelerated depreciation on real property.—
- (1) Low income rental housing under section 167(f) or amortization under section 179; and
- (2) Other real property.

On the appropriate line(s), enter the amount you get (never less than zero) by subtracting the depreciation that you had used the straight-line method from the depreciation actually allowable. Figure this amount separately for each property.

Note: If you amortized certain rehabilitation expenditures for certified historic structures under section 179, enter the amount you get by subtracting the straight-line depreciation over the normal amount of this amortization.

(b) Accelerated depreciation on personal property subject to a lease.—Enter the amount you get (never less than zero) by subtracting the depreciation that would have been allowable had you used the straight-line method from the depreciation actually allowable. Figure this amount separately for each property.

(c) through (f). Amortization of (c) certified pollution control facilities, (d) railroads, (e) child care facilities, and (f) child day care facilities.—Enter the amount by which the amortization allowable for the year is more than the depreciation actually allowable. Figure this amount separately for each property.

Limitations on Amounts Treated as Tax Preference Items in Certain Cases.—See section 58(h) for limitations where the tax preference items apply, attach a schedule showing computation.

Partners, Beneficiaries of Estates and Trusts.—If you are a partner, you must take into account separately your distributive share of items of income and deduction from the partnership and items, if you are a partner and have

vanance in useful life) is considered the useful life of the property in figuring the depletion deduction (otherwise allowable).

(g) Reserves for losses on bad debts of foreign corporations.—

- (a) Reserves for losses on bad debts of foreign corporations.—Enter the excess of the addition to the reserve for bad debts over the reasonable addition to the reserve for bad debts that would have been allowable for all tax years based on actual experience. See section 57(a)(7) and regulation section 1.57-1(e).
- (b) Stock options.—If you received stock by the exercise of a qualified stock option (as defined in section 422(b)) or a reverse stock split, enter the amount by which the fair market value of the shares at the time of exercise was more than the option price.
- (c) Depletion.—Enter the amount you get (never less than zero) in the following way: From the deduction for depletion allowed on the basis of the property at the end of the year, include percentage depletion for geothermal deposits. Figure the adjusted basis without regard to the depletion deduction. Then, figure the depletion deduction separately for each property.

(d) Intangible drilling costs.—Excess intangible drilling costs are a tax preference item only to the extent that they are more than your net income from oil, gas, and geothermal properties.

(e) Figure excess intangible drilling costs in the following way: Subtract the amount of the intangible drilling and development costs (other than costs in drilling a nonproductive well), subtract the amount that would have been allowable had you capitalized and then amortized over a 120-month period beginning with the month production first began.

The net income from oil, gas, and geothermal properties is the net income from these properties minus the deductions allowable to them, except for excess intangible drilling costs and nonproductive well costs. The tax preference item equals the net income from oil, gas, and geothermal properties.

Limitations on Amounts Treated as Tax Preference Items in Certain Cases.—See section 58(h) for limitations where the tax preference items apply, attach a schedule showing computation.

Partners, Beneficiaries of Estates and Trusts.—If you are a partner, you must take into account separately your distributive share of items of income and deduction from the partnership and items, if you are a partner and have

ected the optional adjustment to basis (see section 743), adjust the tax preference items that apply to reflect the election.

If you are a:

- partner of an estate or trust, see section 58(g);
- shareholder of an electing small business corporation, see section 58(d);
- participant in a common trust fund, see section 58(e);
- shareholder or holder of beneficial interest in a regulated investment trust, see section 58(f);
- partner in a partnership investment trust, see section 58(f).

If you have tax preferences attributable to foreign sources, see section 58(g).

Line 8. Adjustment in exclusion.—If this is a short-period return, use the formula in section 443(d) to determine the adjustment in exclusion for figuring the minimum tax on tax preference items.

Note: If line 2 is more than either the adjusted exclusion of \$10,000 (\$5,000 if you are a partner) or the minimum tax on this form even though you owe no minimum tax.

Line 11. 1979 net operating loss carryover to 1980.—Under some conditions, you may defer part or all of the amount on line 10 to a later year. See section 56(b).

Line 15. Minimum tax deferred from earlier years.—If a net operating loss carryover from 1979 and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax at the rate in effect for the year of the loss (15% for 1976, 10% for 1977, 15% for 1978 and earlier years). See section 56(b).

Line 17. Excess tax credits.—If Form 1041-4 is filed, you may be able to claim any unused part of certain credits against your minimum tax. Apply the credit in the order listed on this form. Apply the credit for the minimum tax on Form 4625, line 16. For example, if the amount on Form 1040, line 47, is zero after applying the credit for the minimum tax on Form 4625, line 16, then the amount on Form 1040, line 47, is zero after applying the credit for the minimum tax on Form 4625, line 16.

On lines 17(a) through 17(d), enter only that part of the credit or credits used to reduce the minimum tax. Do not reduce the minimum tax below zero.

For information on the minimum tax, see Publication 925, Taxable and Non-taxable Income.

4726 Maximum Tax on Personal Service Income

1979 26

Name(s) as shown on Form 1040 (or Form 1041). Identifying number

Do not complete this form if—(a) Taxable income or personal service taxable income is \$41,500 or less, and on Form 1040, you checked box 1, \$60,000 or less, and on Form 1040, you checked box 2 or box 5, \$44,700 or less, and on Form 1040, you checked box 4, \$28,300 or less, and this is an Estate or Trust return (Form 1041), (b) You elected income averaging, or (c) On Form 1040, you checked box 3.

Personal Service Income

1 Total personal service income	2 Total deductions against personal service income
---------------------------------	--

3 Personal service net income.—Subtract total of line 2 from total of line 1

4 Enter your adjusted gross income

5 Divide the amount on line 3 by the amount on line 4. Enter result as a percentage. If more than 100%, enter 100%. Round to nearest 4 numbers

6 Enter your taxable income

7 Multiply the amount on line 6 by the percentage on line 5

8 Enter the total of your 1979 tax preference items

9 Personal service taxable income. Subtract line 8 from line 7

10 If on Form 1040, you checked box 1, enter \$41,500 on Form 1040, you checked box 2 or box 5, enter \$60,000 on Form 1040, you checked box 4, enter \$44,700 you are filing Form 1041, enter \$28,300

11 Subtract line 10 from line 9. If line 10 is more than line 9, do not complete rest of form.

12 Enter 50% of line 11

13 Tax on amount on line 6\*

14 Tax on amount on line 9\*

15 Subtract line 14 from line 13

16 If the amount on line 10 is \$41,500, enter \$13,392. \$60,000, enter \$19,678. \$44,700, enter \$13,961. \$28,300, enter \$9,859

17 Add lines 12, 15, and 16. This is your maximum tax.

\*Use Tax Rate Schedules from Form 1040 or Form 1041, instructions 588-175-2

Form 4798

Carryover of Pre-1970 Capital Losses

1979

Your social security number

Part I Capital Gains and Losses

Section A—Summary of Capital Gains and Losses

Table with 30 rows and 4 columns for Short-term and Long-term gains and losses. Includes instructions for each line and a total line 30.

Form 4798 (1979)

... a net operating loss deduction to the extent that the net operating losses carried to the taxable year are properly allocable to or chargeable against personal service income.

When the expenses of a business are more than the income from that business, the net operating loss deduction is the material income-producing factors, deduct only part of the expenses against personal service income. To figure your deduction, divide the net operating loss by the ratio of a reasonable amount of pay for your services over the gross receipts of that business. You must make the computation separately for each business. Do not include the net operating profits or losses of one business against the profits or losses of another.

Line 4. Adjusted gross income.—If you are filing this form with Form 1040, line on line 4 the amount from Form 1040, line 4.

Line 5.—Round percentage to nearest four numbers. For example, a percentage of 64.96% should be rounded to 65%.

Line 6. Taxable income.—If you are filing this form with Form 1040, enter the amount from Schedule TC (Form 1040), Part I, line 3.

Line 8.—Enter on this line the following tax-preference items:
- accelerated depreciation on real and personal property;
- amortization of certified historic structures, certified pollution control facilities, railroad rolling stock, on the job collection facilities and child care facilities;
- reserves for losses on bad debts of financial institutions;
- stock options;
- depletion;
- intangible drilling costs.

For more information, see Forms 4625 and 6251.

Line 17. Maximum tax.—Add lines 12, 15, and 16 and enter the total. This is your maximum tax. Enter it also on Schedule D (Form 1040), Part I, line 4, or on Form 1041, line 27.

Short-Period Returns.—If you are required to prepare a return of less than twelve months, your tax is determined by placing your taxable income, personal service income, and other income on a calendar year basis. However, if a short-period return is required due to a termination of tax year for purposes of a reorganization, the calendar year tax computation shall not apply unless the tax year is reopened.

... actually reviewed, but not more than the net profits of the business.

... an item of gross income in respect of a decedent if the gross income would have been personal service income for the decedent had he or she lived and received the amount.

... personal service income of a nonresident alien decedent who was a resident of the U.S. and is effectively connected with the conduct of a business in the U.S. It does not include income subject to the 30% (or 33 1/3%) percent tax under section 871(a)(1)(A).

... interest and dividends (including undistributed taxable income from an electing small business corporation) and other distributions of corporate earnings and profits.

... gambling gains.

... gains treated as capital gains.

... premature or excess distributions from a qualified employee pension plan under section 72(m)(5).

... lump-sum distributions from pensions or annuities under sections 402(a)(2), 402(b) and 403(a)(2).

... certain distributions from Individual Retirement Accounts or Annuities described in sections 408(e)(2), (3), (4), (5), and 408(f).

... redemption of retirement bonds includable in income under section 409(b) or (c).

Line 2.—Deductions against personal service income.—The deductions on this line that are related to your personal service income and is required to be taken into account in determining adjusted gross income. Examples of these are:

- allowable deduction for expenses from a trade or business from which you received personal service income;
- allowable deduction for expenses from performing services as an employee;
- allowable deduction for payments to a Keogh plan;
- allowable deduction for payments to an IRA;
- allowable deduction for moving expenses.

... deductions allowable to an individual electing small business corporation for the excess of amounts included in gross income due to overpayment of this year benefit by a corporation to a shareholder. The tax computation shall not apply unless the tax year is reopened.

Instructions (Section references are to the Internal Revenue Code unless otherwise specified)

Purpose of Form.—This form may be to you if you have personal service income and your tax bracket is above 50%.

Please read the instructions and complete the form. If line 17 is less than your regular tax liability, you may be eligible for Form 1040 or Form 1041. Also, check the box labeled Form 4726 on Schedule TC (Form 1040), if you are filing this form with Form 1040.

Line 1. Personal service income.—In the bases, this line includes the amounts of personal service income from your Form 1040 or Form 1041. For an estate or trust, personal service income is defined below. Personal service income for an individual includes:

- wages, salaries, tips, and other compensation for personal services actually rendered;
- commissions on sales or insurance premiums;
- prizes and awards that are not gambling winnings;
- taxable pensions and annuities if there is a connection with earning income from past personal services;
- taxable group-term life insurance property you received as payment for the property to someone else (other than the decedent);
- gains (except capital gains) and net earnings from the sale or transfer of an interest in, or license for the use of, any patent, copyright, or other intangible that you created by your personal efforts;
- the portion of income you received from a corporation (including an electing small business corporation) that represents a reasonable allowance for services you performed for the corporation.

... the entire amount you receive for professional services if you are a doctor, dentist, lawyer, architect, accountant, or other professional person responsible for the services performed. This is true even if your assistants perform all or part of the services.

... if you receive from a separate trade or business where both personal services and capital are material income-producing factors in the case, your shareable income as compensation for the personal service

**Section 8.—Complete if You are Married Filing a Separate Return and Losses are Shown on Lines 3 AND 9 of Part I**

31 Combine amounts on 1979 Schedule D (Form 1040), lines 4, 7, 16, and 19, and if a gain, enter gain, if zero or a loss, enter zero.

Note: If the entry on line 31 is zero, skip lines 32 through 38, and enter on line 39 the loss shown on line 31.

32 Combine on line 31 on 1979 Schedule D (Form 1040), lines 4 and 7, and if a gain, enter gain. If zero or a loss, enter zero.

33 Enter line 31 or line 32, whichever is smaller.

34 Subtract line 33 from line 31.

35 Enter loss from line 7, if line 7 is blank, enter zero.

36 Reduce any gain on line 34 by any loss on line 35 (see instruction 8).

37 Enter loss from line 3.

38 Add the gain(s) on line(s) 33 and 36.

39 Reduce the loss on line 37 by any gain on line 38 (see instruction C).

**Part II—Pre-1970 and Post-1969 Capital Loss Carryovers from 1979 to 1980**  
(Complete This Part if the Amount on Part I, Line 29 is Larger Than the Loss on Part I, Line 30)

1 Enter loss shown in Part I, line 4, if none, enter zero and skip lines 2 through 20. Then go to line 21.

2 Enter gain shown in Part I, line 8. If that line is blank or shows a loss, enter zero.

3 Reduce loss on line 1 by any gain on line 2.

Note: If Part I, line 3 is blank, skip lines 4 through 11 and enter zero on line 12. Then go to line 13.

4 Combine lines 4, 7, 16, and 19 on your 1979 Schedule D (Form 1040).  
Enter the gain, if zero or a loss, enter zero.

Note: If the gain is more than the loss, enter zero. If the loss is more than the gain, enter the loss from Part I, line 3. Then go to line 13.

5 Combine amounts on 1979 Schedule D (Form 1040), lines 4 and 7, and if gain, enter gain. If zero or a loss, enter zero.

6 Enter line 4 or 5, whichever is smaller.

7 Subtract line 6 from line 4.

8 Enter loss from Part I, line 7, otherwise, enter zero.

9 Reduce any gain on line 7 by any loss on line 8.

10 Enter loss from Part I, line 3; otherwise, enter zero.

11 Add the gains on lines 6 and 9.

12 Reduce the loss on line 10 by any gain on line 11.

13 Pre-1970 short-term capital loss (enter line 3 or 12, whichever is smaller).

14 Short-term capital loss from years beginning after 1969 (subtract line 13 from line 3).

15 Enter any loss from line 13, above.

16 Enter loss from Part I, line 30.

17 Pre-1970 short-term loss carryover to 1980 (subtract line 16 from line 15. If line 15 is less than line 16, enter zero).

18 Enter any loss from line 14, above.

19 Subtract line 15 from line 16. If line 16 is less than line 15, enter zero.

20 Post-1969 short-term loss carryover to 1980 (subtract line 19 from line 18. If line 18 is less than line 19, enter zero).

21 If you had to complete Part I, lines 12 through 28, enter any loss from Part I, line 25; otherwise, enter zero.

22 Subtract line 18 from line 19. If line 19 is less than line 18, enter zero.

Note: If you skipped lines 2 through 20 above, enter amount from Part I, line 30.

23 Pre-1970 long-term loss carryover to 1980 (subtract line 22 from line 21. If line 21 is less than line 22, enter zero).

24 If you had to complete Part I, lines 12 through 28, enter any loss from Part I, line 26. Otherwise, enter any loss from Part I, line 8.  $\times 2$ . If line 25 is less than line 21, enter zero.

26 Post-1969 long-term loss carryover to 1980 (subtract line 25 from line 24. If line 24 is less than line 25, enter zero).

**Instructions**

**A. Purpose of Form.**—Use this form only if you are married, filing a separate return for 1979, and you have a loss carryover to 1979 from your 1978 Form 4798.

**B. Part I, line 17 or 23.** If so, first fill in your 1979 Schedule D (Form 1040), lines 1 through 20, to report capital gains and losses. Then complete Part I, lines 21 through 28, to report capital loss carryovers. Then complete Form 4798, Part I, Use Part II to figure your capital loss carryover from 1979 to 1980. Do not enter the amount on line 17 or 23 if there is a gain and no loss, just enter the amount on line 17 or 23.

**C. Part I, line 24 or 30.**—If there are a loss and a gain on the lines mentioned in the instructions for Part I, line 24 or 30, enter the loss on line 24 or 30, and the gain on line 25 or 31. If the gain is more than the loss, enter zero. If there is a loss and no gain, just enter the loss.

**D. Married Taxpayers Filing Separate Returns.**—If you are married, filing a separate return for 1979, and you have a loss carryover to 1979 from your 1978 Form 4798, and a loss on the lines mentioned in the instructions for Part I, line 21 or 36, and a loss on the lines mentioned in the instructions for Part I, line 21 or 36,

Department of the Treasury  
Internal Revenue Service

**Energy Credits**  
Attach to Form 1040. See instructions on back.

Name(s) as shown on Form 1040 \_\_\_\_\_ Your social security number \_\_\_\_\_

Enter in the space below the address of your principal residence on which the credit is claimed. If it is different from the address shown on Form 1040, enter the address of your principal residence on which the credit is claimed. If it is different from the address shown on Form 1040, enter the address of your principal residence on which the credit is claimed.

**Part I—Fill in your energy conservation costs (but do not include repair or maintenance costs). If you have an unused energy credit carryover from the previous tax year and no energy savings costs this year, skip to Part III, line 20. If you checked "No," do not fill in Part I.**

**1 Energy Conservation Items:**

a Insulation . . . . . 1a

b Storm (or thermal) windows or doors . . . . . 1b

c Caulking or weatherstripping . . . . . 1c

d Other items (list here) . . . . . 1d

2 Total (add lines 1a through 1d) . . . . . 2

3 Maximum amount . . . . . 3 \$2,000 00

4 Enter the total energy conservation costs for this residence from your 1978 Form 5695, line 2 . . . . . 4

5 Subtract line 4 from line 3 . . . . . 5

6 Enter the amount on line 2 or line 5, whichever is less . . . . . 6

7 Enter 15% of line 6 . . . . . 7

**Part II—Fill in your renewable energy source costs (but do not include repair or maintenance costs). If you have an unused energy credit carryover from the previous year and no energy savings costs this year, skip to Part III, line 20.**

**8 Renewable Energy Source Items:**

a Solar . . . . . 8a

b Geothermal . . . . . 8b

c Wind . . . . . 8c

9 Total (add lines 8a through 8c) . . . . . 9

10 Maximum amount . . . . . 10 \$10,000 00

11 Enter the total renewable energy source costs for this residence from your 1978 Form 5695, line 5 . . . . . 11

12 Subtract line 11 from line 10 . . . . . 12

13 Enter amount on line 9 or line 12, whichever is less . . . . . 13

14 Enter 20% of line 13 . . . . . 14

15 Subtract amount on line 11 from line 14. If zero or less, enter zero . . . . . 15

16 Enter amount on line 13 or line 15, whichever is less . . . . . 16

17 Enter 10% of line 16 . . . . . 17

18 Add lines 14 and 17 . . . . . 18

**Part III—Fill in this part to figure the limitation**

19 Add line 7 and line 18. If less than \$10, enter zero . . . . . 19

20 Enter your unused energy credit carryover from the previous tax year . . . . . 20

21 Add lines 19 and 20 . . . . . 21

22 Enter the amount of tax shown on Form 1040, line 37 . . . . . 22

23 Add lines 38 through 44 from Form 1040 and enter the total . . . . . 23

24 Subtract line 23 from line 22. If zero or less, enter zero . . . . . 24

25 Residential energy credit. Enter the amount on line 21 or line 24, whichever is less. Also, enter this amount on Form 1040, line 45 . . . . . 25

**Section 8.—Complete if You are Married Filing a Separate Return and Losses are Shown on Lines 3 AND 9 of Part I**

31 Combine amounts on 1979 Schedule D (Form 1040), lines 4, 7, 16, and 19, and if a gain, enter gain, if zero or a loss, enter zero.

Note: If the entry on line 31 is zero, skip lines 32 through 38, and enter on line 39 the loss shown on line 31.

32 Combine on line 31 on 1979 Schedule D (Form 1040), lines 4 and 7, and if a gain, enter gain. If zero or a loss, enter zero.

33 Enter line 31 or line 32, whichever is smaller.

34 Subtract line 33 from line 31.

35 Enter loss from line 7, if line 7 is blank, enter zero.

36 Reduce any gain on line 34 by any loss on line 35 (see instruction 8).

37 Enter loss from line 3.

38 Add the gain(s) on line(s) 33 and 36.

39 Reduce the loss on line 37 by any gain on line 38 (see instruction C).

**Part II—Pre-1970 and Post-1969 Capital Loss Carryovers from 1979 to 1980**  
(Complete This Part if the Amount on Part I, Line 29 is Larger Than the Loss on Part I, Line 30)

1 Enter loss shown in Part I, line 4, if none, enter zero and skip lines 2 through 20. Then go to line 21.

2 Enter gain shown in Part I, line 8. If that line is blank or shows a loss, enter zero.

3 Reduce loss on line 1 by any gain on line 2.

Note: If Part I, line 3 is blank, skip lines 4 through 11 and enter zero on line 12. Then go to line 13.

4 Combine lines 4, 7, 16, and 19 on your 1979 Schedule D (Form 1040).  
Enter the gain, if zero or a loss, enter zero.

Note: If the gain is more than the loss, enter zero. If the loss is more than the gain, enter the loss from Part I, line 3. Then go to line 13.

5 Combine amounts on 1979 Schedule D (Form 1040), lines 4 and 7, and if gain, enter gain. If zero or a loss, enter zero.

6 Enter line 4 or 5, whichever is smaller.

7 Subtract line 6 from line 4.

8 Enter loss from Part I, line 7, otherwise, enter zero.

9 Reduce any gain on line 7 by any loss on line 8.

10 Enter loss from Part I, line 3; otherwise, enter zero.

11 Add the gains on lines 6 and 9.

12 Reduce the loss on line 10 by any gain on line 11.

13 Pre-1970 short-term capital loss (enter line 3 or 12, whichever is smaller).

14 Short-term capital loss from years beginning after 1969 (subtract line 13 from line 3).

15 Enter any loss from line 13, above.

16 Enter loss from Part I, line 30.

17 Pre-1970 short-term loss carryover to 1980 (subtract line 16 from line 15. If line 15 is less than line 16, enter zero).

18 Enter any loss from line 14, above.

19 Subtract line 15 from line 16. If line 16 is less than line 15, enter zero.

20 Post-1969 short-term loss carryover to 1980 (subtract line 19 from line 18. If line 18 is less than line 19, enter zero).

21 If you had to complete Part I, lines 12 through 28, enter any loss from Part I, line 25; otherwise, enter zero.

22 Subtract line 18 from line 19. If line 19 is less than line 18, enter zero.

Note: If you skipped lines 2 through 20 above, enter amount from Part I, line 30.

23 Pre-1970 long-term loss carryover to 1980 (subtract line 22 from line 21. If line 21 is less than line 22, enter zero).

24 If you had to complete Part I, lines 12 through 28, enter any loss from Part I, line 26. Otherwise, enter any loss from Part I, line 8.  $\times 2$ . If line 25 is less than line 21, enter zero.

25 Subtract line 21 from line 22.

26 Post-1969 long-term loss carryover to 1980 (subtract line 25 from line 24. If line 24 is less than line 25, enter zero).

**Instructions**

**A. Purpose of Form.**—Use this form only if you are married, filing a separate return for 1979, and you have a loss carryover to 1979 from your 1978 Form 4798.

**B. Part I, line 17 or 23.** If so, first fill in your 1979 Schedule D (Form 1040), lines 1 through 20, to report capital gains and losses. Then complete Part I, lines 21 through 28, to report capital loss carryovers. Then complete Form 4798, Part I, Use Part II to figure your capital loss carryover from 1979 to 1980. Do not enter the amount on line 17 or 23 if there is a gain and no loss, just enter the amount on line 17 or 23.

**C. Part I, line 24 or 30.**—If there are a loss and a gain on the lines mentioned in the instructions for Part I, line 24 or 30, enter the loss on line 24 or 30, and the gain on line 25 or 31. If the gain is more than the loss, enter zero. If there is a loss and no gain, just enter the loss.

**D. Married Taxpayers Filing Separate Returns.**—If you are married, filing a separate return for 1979, and you have a loss carryover to 1979 from your 1978 Form 4798, and a loss on the lines mentioned in the instructions for Part I, line 21 or 36, and a loss on the lines mentioned in the instructions for Part I, line 21 or 36,

1979  
30

**6251** Alternative Minimum Tax Computation  
Form Department of the Treasury Internal Revenue Service  
Name(s) as shown on tax return Identifying number

1	Adjusted gross income from Form 1040, line 32 (estates and trusts—see instructions)	
2a	2 Deductions (applies to individuals only): a Enter amount from Form 1040, line 33	2 or 5, enter \$3,400 1 or 4, enter \$2,300 3, enter \$1,700
2b	b On your 1979 Form 1040, if you checked Filing Status box:	
2c	c Multiply \$1,000 by the total number of exemptions on Form 1040, line 7	
2d	d Add lines 2a through 2c (estates and trusts, enter zero)	
3	3 Subtract line 2d from line 1	
4a	4 Tax preference items:	
4b	a Adjusted itemized deductions	
4c	b Capital gain deduction	
4d	c Add lines 4a and 4b	
5	5 Alternative minimum taxable income (add lines 3 and 4c)	
6	6 Enter \$20,000 (\$10,000 if married filing separately, or an estate or trust)	
7	7 Subtract line 6 from line 5. If zero or less, do not complete the rest of this form	
8	8 Enter the smaller of line 7 or \$40,000 (\$20,000 if married filing separately or an estate or trust)	
9	9 Subtract line 8 from line 7	
10	10 Enter the smaller of line 9 or \$40,000 (\$20,000 if married filing separately or an estate or trust)	
11	11 Subtract line 10 from line 9	
12	12 Enter 10% of line 8	
13	13 Enter 20% of line 10	
14	14 Enter 25% of line 11	
15	15 Add lines 12, 13 and 14	
16	16 Amount from Form 1040, line 47* (estates and trusts—see instructions)	
17	17 Minimum tax from Form 1040, line 49a (estates and trusts—see instructions)	
18	18 Tax from recomputing prior-year investment credit (from Form 1040, line 50) (estates and trusts—see instructions)	
19	19 Tax from recomputing prior-year work incentive (WIN) credit	
20	20 Add lines 16 through 19	
21	21 Alternative minimum tax (subtract line 20 from line 15). If zero or less, do not complete the rest of this form	
22	22 Foreign tax credit (see instructions)	
23	23 Subtract line 22 from line 21. Enter here and on Form 1040, line 49b (estates and trusts—see instructions)	

\*Do not include any tax from Form 6970, Form 4972, Form 5544, or any penalty tax under section 72(m)(5)  
884-74-1 Form 6251 (1979)

- drapes;
- wood paneling;
- wood or peat fueled residential equipment;
- hydrogen fueled residential equipment;
- siding for the outside of your residence;
- heat pump;
- fluorescent replacement lighting system;
- transportation that uses wind energy, and
- swimming pools used to store energy.

**Maximum credit and unused energy credit carryover.**—The credit for energy conservation items cannot be more than \$300. The credit for renewable energy source items cannot be more than \$2,000. You can take the maximum credit for each principal residence you live in. If you use all of your credit for one residence and then move, you may take the maximum credit amount on your next residence. For example, if you sold your principal residence in May of 1979 and bought another in June, you would be entitled to take up to \$300 credit on each residence for energy conservation items.

To figure your allowable 1979 energy credit for more than one principal residence, follow the instructions below:

- (1) Fill out Parts I or II on Form 5695 for each principal residence.
- (2) Enter the total of all parts on line 19 of one form.
- (3) In the space above line 19, write "More than one principal residence."

If your credit for this year is more than your tax minus any other credits, you can carry over the amount of unused energy credit to the following tax year.

**Caution:** You should keep a copy of each Form 5695 that you file for your records. For example, if you sell your principal residence, you will need to know the amount of the credit claimed in prior tax years. You must reduce the basis of your principal residence by the amount of energy credit taken against your tax. If the items for which the credit is taken are a proper increase to the basis.

**Specific Instructions**

**Part I, lines 1a through 1d.**—Enter your energy conservation costs only for this tax year. Count the cost of the item and its installation in or on your principal residence. Do not include the cost of repairs or maintenance for energy conservation items.

**Part I, line 4.**—Enter your total energy conservation costs from the previous tax year for this principal residence. If you had energy conservation costs in the previous tax year but could not take a credit because it was less than \$10, enter zero.

**Part II, lines 8a through 8c.**—Enter your renewable energy source costs only for this tax year. Count the cost of the item and the cost of labor for its assembly, preparation, and installation in connection with your principal residence. Do not include the cost of repairs or maintenance for renewable energy source items.

**Part II, line 11.**—Enter your total renewable energy source costs from the previous tax year for this principal residence. If you had renewable energy source costs in the previous tax year but could not take a credit because it was less than \$10, enter zero.

**Part III.**—The amount of your energy credit is limited to your tax less other credits. If you have an amount on line 21 which is more than line 24, you can carry over the unused credit to the next tax year.

**Part III, line 20.**—If your tax for the previous tax year was less than the amount of energy credit, you have an unused credit carryover to this tax year. Enter the unused amount on this line.

**General Instructions**

If you have an unused energy credit carryover from the previous tax year and no energy savings costs this year, fill in only Part III of the form. Attach Form 5695 to your tax return.

**Purpose.**—Use this form to figure your residential energy credit if you had energy saving items installed in your principal residence. The instructions below help you determine the amount of credit you can take. For more information, please get Publication 903, Energy Credits for Individuals.

**What is your principal residence?**—To qualify as your principal residence, your residence must meet all of the tests below.

- It must be the home where you and your family live (you may own it or rent it from another person).
- It must be in the United States.
- A summer or vacation home does not qualify.
- If you live in a condominium or cooperative housing corporation dwelling unit, it may qualify. Please get Publication 903 for more details.

For energy conservation items to qualify, your principal residence must have been substantially completed before April 20, 1977.

**Note:** You may claim the maximum credit on each principal residence you live in during the tax year. See the instructions for maximum credit and unused energy credit carryover.

**What are energy saving items?**—You can take the credit for two kinds of energy saving items: energy conservation items and renewable energy source items.

- Energy conservation items are limited to:
- insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.
  - storm (or thermal) windows or doors for the outside of your residence.
  - caulking or weatherstripping for windows or doors for the outside of your residence.
  - a furnace replacement burner that reduces the amount of fuel used.
  - a device for modifying flue openings to make a heating system more efficient.
  - an electrical or mechanical furnace ignition system that replaces a gas pilot light.
  - a thermostat with an automatic setback.
  - a meter that shows the cost of energy used.
- To take the credit for an energy conservation item, you must:
- be the first one to use the item, and
  - expect it to last at least 3 years.

- Renewable energy source items include solar and geothermal energy items which heat or cool your principal residence or provide hot water for it.
- Examples of solar energy items include:
- collectors, and
  - rockbeds, and
  - heat exchangers.
- An example of an item that uses wind energy is a windmill that produces energy in any form (usually electricity) for your residence.

To take the credit for a renewable energy source item, you must:

- be the first one to use the item, and
- expect it to last at least 5 years.

Energy saving items that are **NOT** eligible for the credit include the following:

- carpeting.

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**Instructions**

(Section References are to the Internal Revenue Code.)

**Purpose of Form**

If you are an individual, you may be liable for the alternative minimum tax if the sum of Form 1040, line 34, plus your tax preference items for excluded capital gains, exceeds \$10,000. If your adjusted gross income is more than \$23,300 (\$12,700 if married filing separately). An estate or trust may be liable if the sum of taxable income plus tax preference items for excluded capital gains and adjusted itemized deductions is more than \$10,000. Complete Form 6251 to see if you are liable. If you are liable, you must attach a copy of the form if you are not liable.

**Line 1**

**Individuals**—enter your adjusted gross income from Form 1040, line 32. **Estates and trusts**—enter the taxable income from Form 1041, line 26, or Form 990-T, page 1, line 5, or page 2, line 35. **Partners**—enter your adjusted gross income from Form 1040, line 32, plus any loss or expense allowable in figuring a net operating loss that can be carried back. If you used Schedule TC, Part II, enter the amount from line 5 of that Part on line 1 of Form 6251 instead of the amount from Form 1040, line 32. If you entered Form 1040, line 32, on Form 1041, Part II, line 3, contact an Internal Revenue Service office.

**Line 4a**

**Adjusted Itemized Deductions**  
**If you are an individual**—  
Step 1.—Subtract from your total itemized deductions (Schedule A (Form 1040), lines 23, 24, and 25), the following: (1) medical and dental expenses (Schedule A (Form 1040), line 10), (2) state, local, and foreign taxes (Schedule A (Form 1040), line 16), (3) casualty and theft losses (Schedule A (Form 1040), line 17), and (4) any deduction for estate tax allowable under section 691(c).  
Step 2.—Subtract from your adjusted gross income (Form 1040, line 32), the items in (1) through (4) of step 1.  
Step 3.—Multiply step 2 by 60%.  
Enter the result on line 4a. If less than zero, enter zero.

**If an estate or trust**

Step 1.—Add all deductions other than: (1) those allowable in figuring adjusted gross income, (2) the deduction for personal exemption, (3) the deduction for casualty and theft losses, (4) the deduction for state, local, and foreign taxes, and (5) the charitable contributions to beneficiaries, allowed for the charitable deduction allowable to a trust to the extent that a deduction for that item was included in the gross income of the trust, and beneficiary of the trust, and

(7) any deduction for estate tax allowable under section 691(c).  
Step 2.—Subtract from adjusted gross income the items in (2) through (7) of step 1.  
Step 3.—Multiply step 2 by 60%.  
Step 4.—Subtract step 3 from step 1. Enter the result on line 4a. If less than zero, enter zero.

**Note.** Adjusted gross income for an estate or trust may be computed the same way as for an individual except that the following items are allowed in figuring adjusted gross income: (1) the costs of administration of the estate or trust, and (2) the charitable deduction to the extent provided in section 37(b) (2)(C).

**Line 4b**

**Capital Gain Deduction**  
**If you are an individual**—

Enter:  
(1) The amount from Schedule D (Form 1040), line 22, if you are a resident alien.  
(2) The amount from Form 4798, Part 1, line 10a, if you report a 1970 capital loss carryover.  
(3) 60% of capital gain distributions if you did not use Schedule D or Form 4798.

**Note.** Do not include as a tax preference item the capital gain deduction attributable to a sale, exchange of a personal residence.

**If an estate or trust**

Enter the capital gain deduction taken into account on Form 1041, line 20. However, an amount paid or permanently set aside for a charitable purpose is not a tax preference item.

**Line 16**

**Estates and trusts**—enter the amount from Form 1041, line 32, or Form 990-T, page 1, line 25.

**Line 17**

**Estates and trusts**—enter the amount from Form 1041, line 34, or Form 990-T, page 1, line 28.

**Line 18**

**Estates and trusts**—enter the amount from Form 1041, line 33, or Form 990-T, page 1, line 26.

**Line 22**

**Foreign Tax Credit**

Line 22 is greater than zero, and you elect to take such foreign taxes as a credit, enter on line 22 the amount of foreign tax credit allowed against the alternative minimum tax. If you use Form 1116 (not Form 1040, line 42), as follows:  
(1) Use a separate Form 1116 for each foreign country or territory specified at the top of Form 1116.  
(2) Print across the top of each Form 1116 used: "ALT MIN TAX."

(3) Schedule A and Schedule C—Use your alternative minimum taxable income from Form 1040, line 32, and deductions used in determining alternative minimum taxable income.  
(4) Schedule C—  
(a) Complete lines 1 to 3 as follows:  
(b) Insert on line 4 the result of the following:  
(i) the amount from Schedule C, line 4 of the Form 1116 used to figure the amount on line 42 plus  
(ii) the amount from Schedule C, line 16 of that Form 1116, plus  
(iii) the lesser of (A) the amount from Schedule C, line 16 of that Form 1116, and (B) Form 6251, line 21 (for if more than one Form 1116 is being used for different types of income, use the allocable portion of Form 6251).  
(c) Complete lines 5 through 7, substituting alternative minimum taxable income for taxable income on line 5.  
(d) Skip lines 8 and 9.  
(e) Enter the amount from Form 6251, line 5.  
(f) Complete line 11 as indicated on Schedule C.  
(g) Line 12—Enter amount from Form 6251, line 13.  
(h) Skip lines 13 and 14.  
(i) Line 15—Multiply line 12 by line 11.

(5) Schedule D—Enter on line 22 Form 6251, line 22, but not more than the amount on Form 6251, line 21.  
If you are filing Form 1041, enter the amount from this line on Form 1041, line 35.  
If you are filing Form 990-T, enter the amount from this line on Form 990-T, page 1, line 29.  
**Limitations on Amounts Treated as Tax Preference Items in Certain Cases.**—See section 56. If an item is treated as a tax preference item did not result in a tax benefit. If limitations apply, attach a schedule showing computation.

**Partners, Beneficiaries of Estates and Trusts, etc.**

**If you are a partner**—You must take into account separately your distributive share of items of income and deductions that enter into the computation of the alternative minimum tax. If you are a partner and have elected the optional adjustment to basis (see section 743), adjust the tax preference items that apply to reflect the election.  
**If you are a—**  
(1) Beneficiary of an estate or trust, see section 58(c).  
(2) Shareholder of an electing small business corporation, see section 562.  
(3) Participant in a common trust fund, see section 58(e).  
(4) Shareholder or holder of beneficial interest in a regulated investment company, see section 58(f).  
283-474-1

**Line 23**

If you are filing Form 1041, enter the amount from this line on Form 1041, line 35.  
If you are filing Form 990-T, enter the amount from this line on Form 990-T, page 1, line 29.

**Limitations on Amounts Treated as Tax Preference Items in Certain Cases.**—See section 56. If an item is treated as a tax preference item did not result in a tax benefit. If limitations apply, attach a schedule showing computation.

**Partners, Beneficiaries of Estates and Trusts, etc.**

**If you are a partner**—You must take into account separately your distributive share of items of income and deductions that enter into the computation of the alternative minimum tax. If you are a partner and have elected the optional adjustment to basis (see section 743), adjust the tax preference items that apply to reflect the election.  
**If you are a—**  
(1) Beneficiary of an estate or trust, see section 58(c).  
(2) Shareholder of an electing small business corporation, see section 562.  
(3) Participant in a common trust fund, see section 58(e).  
(4) Shareholder or holder of beneficial interest in a regulated investment company, see section 58(f).  
283-474-1

# USER SURVEY

## Statistics of Income—1979 Individual Income Tax Returns

Please take a few moments to answer the following questions concerning this *Statistics of Income* publication. Your responses will enable us to direct our efforts to meeting the needs of our users. After indicating your responses, please fold, tape, and mail. No postage is required. Thank you for your cooperation.

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- No

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- Other (*Specify*) \_\_\_\_\_

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- Income distributions
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- Exemptions
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IF MAILED  
IN THE  
UNITED STATES

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE  
USE, \$300.

**BUSINESS REPLY MAIL**

FIRST CLASS PERMIT NO. 12686 WASHINGTON, DC

POSTAGE WILL BE PAID BY IRS

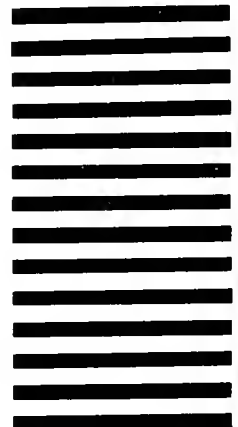
**Internal Revenue Service**

Statistics Division

Individual Income Statistics Section PR:S:12

1111 Constitution Avenue, NW

Washington, DC 20224





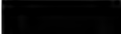











# 1979

Statistics  
of Income

# Individual Income Tax Returns

Section

-  **1 Returns Filed and Sources of Income**
-  **2 Deductions and Exemptions**
-  **3 Tax Computation and Tax Rates**
-  **4 Age 65 or Over**
-  **5 State Data**
-  **6 Explanation of Terms**
-  **7 Sources, Sample, and Limitations of the Data**
-  **8 High Income Returns**
-  **9 Forms and Instructions**
-  • **User Survey (Form 6839)**











