

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

by Scott Hollenbeck and Maureen Keenan Kahr

In 2006, about 335,000 U.S. taxpayers living abroad reported approximately \$36.7 billion in foreign-earned income, an increase in real percentage terms of 17.7 percent from 2001 (the last time this study was done). Nearly \$18.4 billion were claimed by U.S. taxpayers as a foreign-earned income exclusion on their tax returns. Between 2001 and 2006, the inflation-adjusted amount of the foreign-earned income exclusion increased by 14.6 percent, while the housing exclusion decreased by 38.7 percent, falling from approximately \$2.2 billion for 2001 to just over \$1.3 billion for 2006.

In contrast to the relatively moderate growth in the foreign-earned income exclusion, foreign-source gross income and foreign tax credits increased greatly since 2001. Between 2001 and 2006, inflation-adjusted foreign-source gross income reported on Form 1116 grew 86.6 percent, and real foreign tax credits claimed grew 53.9 percent. For 2006, U.S. taxpayers claimed foreign tax credits totaling nearly \$11.0 billion on 6.4 million returns; these credits were based on a reported \$120.0 billion in foreign-source gross income and \$13.9 billion in foreign taxes paid or accrued.

For 2006, the largest amount of total foreign-earned income from any continent was reported on returns from Asia, a change from 2001 when Europe was highest. These U.S. taxpayers reported \$14.7 billion of total foreign-earned income for 2006, a 29.1-percent increase in real growth from the \$11.4 billion reported for 2001. Some of this growth was attributable to returns with a tax home of Iraq with over \$1.8 billion reported in total foreign-earned income for 2006, after no returns were filed for Iraq in 2001. The growth in Asia was also driven by U.S. taxpayers in China reporting a real increase of 110.2 percent, to just over \$1.7 billion; and with taxpayers in the United Arab Emirates reporting an increase of 80.2 percent, to \$0.8 billion.

European-based U.S. taxpayers reported the second largest amount of foreign-earned income with over \$13.3 billion, which was a real increase of just 10.2 percent from 2001. The United Kingdom continued to lead all countries with over \$6.2 billion in foreign-earned income reported and accounted for nearly half of all European-based returns. The

amount reported for the United Kingdom was an actual decrease of 0.6 percent from the 2001 amount of \$6.3 billion, while the overall European-based growth was driven by increases from Switzerland (37.9 percent), Germany (22.8 percent), and France (11.8 percent).

Total foreign-earned income reported for North American-based taxpayers grew by 21.0 percent for 2006, and was driven by a 31.5-percent increase for Canada, to nearly \$2.7 billion. Over 57 percent of all taxpayers reporting foreign-earned income had no U.S. tax liability for 2006. As with foreign-earned income, among individual countries, the United Kingdom had the highest foreign-source gross income and foreign taxes paid, with \$11.9 billion and \$3.0 billion, respectively.

In contrast to their foreign-earned income, European countries, with \$24.8 billion in foreign-source gross income and \$5.4 billion in foreign taxes paid, continued to be the largest source of both of these measures. However, of all the regions, Europe had the lowest growth from 2001 (32.1 percent for foreign-source gross income and 13.4 percent for foreign taxes). In contrast, foreign-source gross income grew 186.6 percent in real percentage terms for Latin/South America, and taxes grew by 36.5 percent in real percentage terms for North America.

Overview of Foreign-Earned Income Provisions

In an effort to increase U.S. participation in foreign trade, a Federal income tax law was passed in 1926, which allowed for an exclusion of foreign-earned income from taxes. Under the 2006 version of the law, section 911 of the Internal Revenue Code, qualified U.S. citizens or resident aliens living and working abroad could elect to exclude a certain amount of foreign-earned income and an excess foreign housing cost. The election was made separately for each of the exclusions.

To qualify, an individual must have had a foreign tax home and satisfied either the bona fide residence or physical presence test. Only U.S. citizens could use the bona fide residence test. The bona fide residence test was generally satisfied if the individual had established and maintained residence in a foreign country for an uninterrupted period that included an entire taxable year. An individual would not be considered a resident if a statement was submitted to the

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taxing authorities of the foreign country indicating nonresidency and the foreign country did not subject the individual to foreign income taxation. Under the physical presence test, an individual had to be present in a foreign country during at least 330 full days during any period of 12 consecutive months.

In general, earned income was compensation received for personal services. Thus, wages, salaries, and professional fees qualified as earned income for purposes of the exclusion. Taxpayers engaged in a trade or business that used both capital and services to produce income could treat as earned income any reasonable amount that did not exceed 30 percent of the taxpayer's share of the net profits of the trade or business. Earned income also included employer-provided allowances or such reimbursements as cost-of-living allowances, overseas compensation differentials, quarters, education allowances, and the full rental value of property or facilities provided by the employer.

To qualify for the exclusions, the earned income had to be foreign-earned income. In general, it would be foreign-earned income if personal services were performed in a foreign country. The actual location of the employer and employee at the time compensation was received did not affect this determination. Not included in foreign-earned income were pensions, annuities, compensation by the U.S. Government, and income excluded by an employer to compensate for meals and lodging provided for the employer's convenience.

For 2006, the maximum amount of foreign-earned income that could be excluded was \$82,400, prorated on a daily basis for the qualifying period. (For 2001, the maximum amount of foreign-earned income that could be excluded was \$78,000.) If both the foreign-earned income and housing exclusion were elected, the foreign housing exclusion was calculated first. The foreign-earned income exclusion was then limited to the excess of foreign-earned income over the housing exclusion.

Qualified housing expenses were reasonable housing costs paid or incurred during the tax year.

In general, they included such expenses as utilities, insurance, and rent. The excess housing cost amount was equal to the individual's qualified housing expenses for the tax year over a base-level amount (\$13,184 for 2006) prorated on a daily basis.

To the extent these were employer-provided amounts, the excess housing cost amount was allowed as a foreign housing exclusion. Housing costs related to self-employment were allowed as a foreign housing deduction in computing adjusted gross income. The foreign housing deduction was limited to the excess of foreign-earned income over the sum of foreign-earned income and housing exclusions. Any excess housing amount that was not deductible could be carried over to the following tax year.

In addition to the exclusions (foreign-earned income and housing) and the housing deduction, individuals could also claim a foreign tax credit (discussed in more detail in the *Foreign Tax Credit Overview* section) for foreign income taxes paid or accrued on two types of foreign-source income: (1) foreign-earned income for which the foreign-earned income exclusion was not claimed, and (2) foreign-source income that did not qualify for the exclusions or deduction.

U.S. taxpayers filed Form 2555, *Foreign Earned Income*, with Form 1040, *U.S. Individual Income Tax Return*, to claim the exclusions and the housing deduction. For 2006, of the 138.4 million individual income tax returns filed with the Internal Revenue Service, an estimated 334,851 had a Form 2555 attached, slightly more than 0.2 percent of the total.¹ Tables 1 and 2 present statistics for individual income tax returns reporting the foreign-earned income exclusion, foreign housing exclusion, and foreign housing deduction.

Total Foreign-Earned Income

For 2006, the total amount of foreign-earned income reported by U.S. individuals was over \$36.7 billion, a real increase of 17.7 percent from the 2001 inflation-adjusted amount of \$31.2 billion. This represents a real annual growth rate of 3.3 percent from 2001.^{2,3}

¹ Data for all taxpayers who filed a Form 1040 for 2006 cited in this article are from *Statistics of Income, Individual Income Tax Returns 2006*, Publication 1304.

² Data in this article are compared to 2001 data because this is the last year for which comparable statistics are available.

³ For comparability, 2001 amounts presented in this article are adjusted for U.S. inflation to 2006 constant dollars. However, these adjustments do not necessarily adjust for country-specific inflation in the various foreign countries for which income was reported. The inflation-adjusted constant dollars are based on the Consumer Price Index (CPI-U) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. The consumer price index represents annual averages of monthly indices and approximates buying patterns of typical urban consumers.

Year	CPI-U
2006	201.6
2001	177.1

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This increase can be attributed to an increase in the number of returns filing for the exclusion, along with an increase in the average amount of foreign-earned income reported per return. From 2001 to 2006, approximately forty thousand more returns were filed by taxpayers for the exclusion, resulting in a 13.6-percent increase. Also, during this same period, the average amount of total foreign-earned income per return increased approximately 3.6 percent in real terms, from an average of \$105,890 for 2001 to \$109,716 for 2006.

Of the nearly 335,000 returns filed with a Form 2555 attached for 2006, returns with a tax home of Canada, the United Kingdom, Japan, Germany, and Iraq represented about 36.4 percent of the total number of returns filed. About 9.0 percent reported Canada; 8.5 percent, the United Kingdom; 7.0 percent, Japan; 6.4 percent, Germany; and 5.5 percent, Iraq as tax homes.

In 2006, slightly over twenty-four thousand taxpayers reported a tax home of Iraq or Afghanistan, compared to zero for 2001. For 2001, taxpayers were not allowed to declare Iraq as a tax home for the purpose of filing a Form 2555, as it was listed as one of the countries falling under travel restrictions.

The number of returns reporting China as a tax home increased by 143.6 percent from 2001. The introduction of returns with foreign-earned income from Iraq and Afghanistan plus this huge growth in China, along with more modest increases in the number of returns from other Asian tax homes, led to an overall increase in Asian-based returns of 41.6 percent (Figure A). Thus, for 2006, more returns with foreign-earned income were reported for Asia (about 139,000) than were for Europe (slightly less than 100,000). This represents a reversal from 2001 when most returns were from Europe.

Along with number of returns, the largest increases in total earned income were seen in Asian-based countries, which reported just under \$14.7 billion in foreign-earned income for 2006, an increase of 29.1 percent from 2001. Also showing significant real increases from 2001 to 2006 were income from North American-based countries, which grew by 21.0 percent, and income from European-based countries, which grew by 10.2 percent. The latter occurred de-

spite the number of returns from Europe declining by 5.5 percent from 2001. The only areas where total foreign-earned income decreased from 2001 to 2006 (by 16.7 percent) were Latin/South American-based countries. This is in sharp contrast to the 2001 data for Latin/South American-based countries, at which time foreign-earned income for these countries had grown by 18.3 percent from the 1996 study.⁴

Remarkable growth was seen in total foreign-earned income reported by China-based individuals for 2006, with the total amount of foreign-earned income growing by 110.2 percent in real terms, from approximately \$0.8 billion for 2001 to over \$1.7 billion for 2006. United Kingdom-based individuals still reported the largest amount of foreign-earned income in 2006, with just over \$6.2 billion claimed. The slight decrease of 0.6 percent in foreign-earned income reported by United Kingdom-based individuals, along with the rapid growth in several other countries, saw their percentage share of total foreign-earned income decrease from 20.1 percent for 2001 to 17.0 percent for 2006. The difference in total foreign-earned income reported between United Kingdom-based returns and returns with the second largest source of foreign-earned income, in this case Canada, was \$3.6 billion. For 2001, the gap in total foreign-earned income reported between the two tax homes reporting the largest source of foreign income (then United Kingdom-based returns and Japan-based returns) was approximately \$3.7 billion.

Figure B shows the countries with the largest amounts of foreign-earned income reported on individual tax returns for 2006. Approximately 52.0 percent of the total foreign-earned income reported on individual tax returns for 2006 was reported by individuals with tax homes in the United Kingdom (17.0 percent), Canada (7.3 percent), Japan (5.7 percent), Hong Kong (5.0 percent), Iraq (5.0 percent), Germany (4.7 percent), China (4.7 percent), and Switzerland (2.7 percent). Five of the eight countries shown in the figure were listed among the eight countries with the largest amounts of income for the 2001 study, with Iraq, China, and Switzerland replacing Singapore, Saudi Arabia, and France. As for the order of countries, the only movement among the top four countries was Canada moving ahead of Japan.

⁴ See Curry, Jeff, and Maureen Keenan Kahr, "Individual Foreign-Earned Income and Foreign Tax Credit, 2001," *Statistics of Income Bulletin*, Spring 2004, Volume 23, Number 4.

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Figure A

Foreign-Earned Income, Exclusion, and Housing Deduction, by Selected Country or Region, Tax Years 2001 [1] and 2006

[Money amounts are in thousands of dollars]

Selected country or region	Number of returns [2]			Total foreign-earned income			Foreign-earned income exclusion before deductions		
	2001	2006	Percentage change	2001	2006	Percentage change	2001	2006	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All geographic areas	294,763	334,851	13.6	31,212,403	36,738,574	17.7	16,020,249	18,357,200	14.6
North America	30,493	36,179	18.6	2,684,826	3,248,559	21.0	1,498,677	1,778,374	18.7
Canada	24,790	30,067	21.3	2,032,392	2,671,963	31.5	1,156,688	1,459,721	26.2
Other North America	5,703	6,112	7.2	652,435	576,596	-11.6	341,990	318,653	-6.8
Asia	98,037	138,795	41.6	11,362,109	14,672,274	29.1	5,796,812	7,922,615	36.7
China	5,103	12,430	143.6	814,666	1,712,601	110.2	317,672	742,633	133.8
Hong Kong	12,476	10,792	-13.5	1,974,007	1,844,813	-6.5	815,191	689,045	-15.5
Iraq	0	18,325	[3]	0	1,827,813	[3]	0	1,187,886	[3]
Israel	8,491	8,986	5.8	589,960	506,127	-14.2	459,810	401,871	-12.6
Japan	24,578	23,529	-4.3	2,605,814	2,106,707	-19.2	1,254,999	1,115,473	-11.1
Saudi Arabia	7,449	5,109	-31.4	953,731	617,179	-35.3	557,431	365,144	-34.5
Singapore	4,624	3,636	-21.4	973,843	747,901	-23.2	373,045	261,410	-29.9
South Korea	4,885	6,668	36.5	515,117	694,003	34.7	262,378	349,846	33.3
UAE	4,100	7,423	81.0	421,592	759,629	80.2	261,369	505,403	93.4
Other Asia	26,331	41,900	59.1	2,513,379	3,855,499	53.4	1,494,917	2,303,901	54.1
Europe	105,590	99,732	-5.5	12,078,032	13,306,949	10.2	5,669,833	5,483,891	-3.3
France	8,975	9,653	7.6	845,026	944,881	11.8	461,367	494,997	7.3
Germany	23,432	21,513	-8.2	1,399,274	1,718,890	22.8	934,915	1,050,100	12.3
Switzerland	6,370	7,093	11.4	723,505	997,485	37.9	403,793	459,225	13.7
United Kingdom	33,344	28,409	-14.8	6,279,710	6,238,909	-0.6	2,122,894	1,725,794	-18.7
Other Europe	33,469	33,067	-1.2	2,830,518	3,406,783	20.4	1,746,864	1,753,774	0.4
Latin/South America	15,307	13,911	-9.1	1,397,818	1,164,998	-16.7	790,362	677,079	-14.3
Oceania	11,521	9,724	-15.6	847,406	851,543	0.5	563,327	536,464	-4.8
Australia	7,864	6,420	-18.4	671,787	661,928	-1.5	400,726	387,338	-3.3
Other Oceania	3,657	3,305	-9.6	175,619	189,615	8.0	162,601	149,126	-8.3
Other	33,815	36,510	8.0	2,842,212	3,494,251	22.9	1,701,238	1,958,777	15.1

Selected country or region	Housing exclusion			Housing deduction		
	2001	2006	Percentage change	2001	2006	Percentage change
	(10)	(11)	(12)	(13)	(14)	(15)
All geographic areas	2,180,244	1,336,430	-38.7	104,808	83,632	-20.2
North America	71,389	27,640	-61.3	379	475	25.3
Canada	18,364	11,865	-35.4	165	* 158	-4.2
Other North America	53,024	15,775	-70.2	214	* 318	48.6
Asia	1,155,233	644,989	-44.2	53,178	38,665	-27.3
China	88,171	112,418	27.5	4,410	2,788	-36.8
Hong Kong	338,752	194,828	-42.5	18,607	13,395	-28.0
Iraq	0	* 2,290	[3]	0	* 829	[3]
Israel	4,674	650	-86.1	191	145	-24.1
Japan	354,873	133,821	-62.3	19,404	10,139	-47.7
Saudi Arabia	16,872	6,352	-62.4	484	* 4	-99.2
Singapore	148,097	52,724	-64.4	3,077	683	-77.8
South Korea	54,841	38,858	-29.1	* 466	2,976	539.2
UAE	34,755	27,230	-21.7	* 2,518	3,240	28.7
Other Asia	114,198	75,817	-33.6	4,022	4,469	11.1
Europe	721,207	544,843	-24.5	43,085	37,640	-12.6
France	40,260	38,712	-3.8	3,485	3,793	8.8
Germany	35,427	51,291	44.8	1,443	3,460	139.8
Switzerland	41,871	49,381	17.9	2,723	1,467	-46.1
United Kingdom	482,708	296,566	-38.6	27,260	22,323	-18.1
Other Europe	120,940	108,894	-10.0	8,173	6,598	-19.3
Latin/South America	108,091	30,066	-72.2	2,509	868	-65.4
Oceania	27,101	11,943	-55.9	370	* 49	-86.8
Australia	26,751	11,479	-57.1	370	* 48	-87.0
Other Oceania	349	* 465	33.2	0	* 1	[4]
Other	97,224	76,949	-20.9	5,287	5,934	12.2

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

[1] For comparability, 2001 amounts have been adjusted for inflation to 2006 constant dollars.

[2] Forms 2555.

[3] Percentage not computed.

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

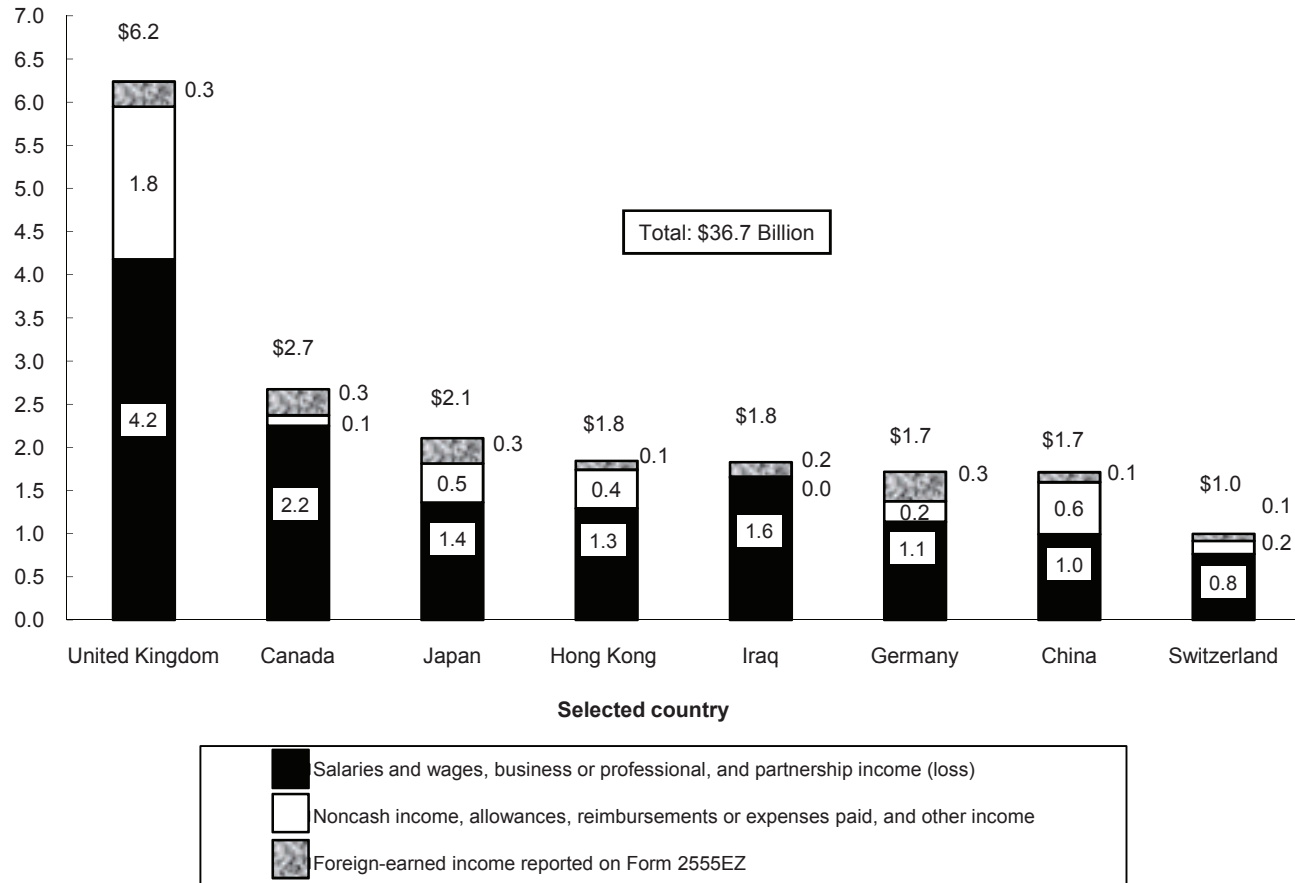
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Figure B

Foreign-Earned Income by Selected Country, Tax Year 2006

Billions of dollars



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

While foreign-earned income decreased in Japan (19.2 percent), Hong Kong (6.5 percent), and the United Kingdom (0.6 percent), it increased in all five other countries.

Composition of Foreign-Earned Income

For 2006, of the \$36.7 billion in foreign-earned income (cited above), over \$32.8 billion were reported on Form 2555. The remaining \$3.9 billion were reported on Form 2555-EZ. Data related to the composition of foreign-earned income are not available on Form 2555-EZ; therefore, the analysis in the ensuing discussion includes only those amounts reported on Form 2555.

Salaries and wages comprised 72.9 percent of the total foreign-earned income reported for 2006 (Table 1). Along with this, allowances, reimbursements, or expenses paid by employers made up 14.6 percent, and business or professional plus partnership, non-cash, and other income accounted for the remaining 12.5 percent. The average foreign-source salary for a taxpayer filing Form 2555 with wages was approximately \$103,938.

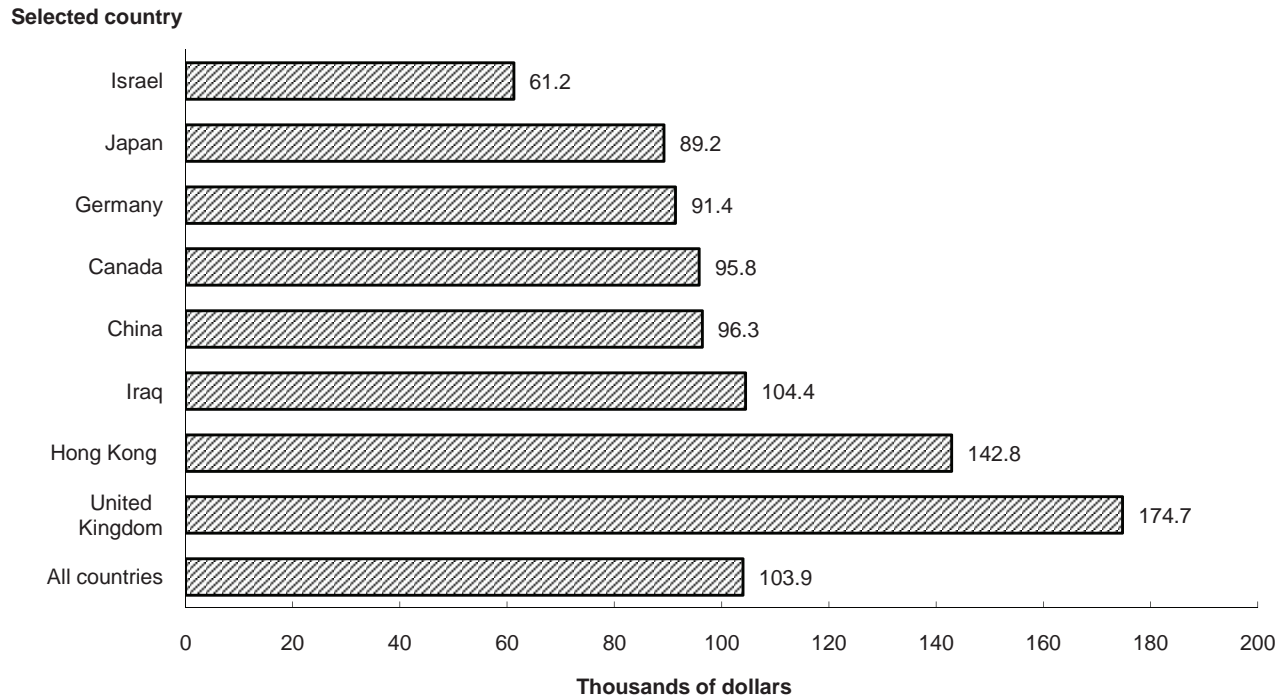
This average, however, varied greatly among the various countries. Figure C shows that, of the top eight countries (those with the largest number of Forms 2555 attached), returns from the United Kingdom reported the highest average salary at \$174,700,

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Figure C

Average Foreign Salaries and Wages Earned by U.S. Taxpayers Reporting Wages on Form 2555, by Selected Country, Tax Year 2006



while Israel reported the lowest with an average salary of \$61,189. The average salary reported for United Kingdom returns increased by nearly \$29,000 (in real dollars) from 2001. Also, for 2006, the difference in average salary between the United Kingdom and Hong Kong (which had the second highest average salary) was just under \$32,000. The United Kingdom and Hong Kong were also the top two countries based on average salary for the 2001 study, where the difference was just over \$29,500.

Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction

For 2006, the amount of exclusion for foreign-earned income grew from 2001 by 14.6 percent (in real terms), to \$18.4 billion. This growth in the foreign-earned income exclusion occurred while the amount of foreign-earned income that could be excluded per taxpayer increased from \$78,000 to \$82,400 during this same period.

The amount of housing exclusion reported fell by approximately 38.7 percent, from an inflation-adjusted \$2.2 billion for 2001 to \$1.3 billion for 2006. The housing deduction also declined in real terms (20.2 percent), to a total of \$83.6 million reported for 2006.

A portion of the declines in both the housing exclusion and housing deduction can be attributed to new limits placed on the amount of housing expenses that were eligible for the exclusion or deduction, beginning in Tax Year 2006. In general a limit of \$24,720 was placed on eligible housing expenses. However, taxpayers could take a higher expense amount if they resided in specific countries or cities which were listed by the IRS in the instructions for Form 2555, *Foreign Earned Income*.

For 2006, individuals with a tax home of the United Kingdom reported the highest amount of exclusions for foreign-earned income at over \$1.7 billion. However, this was a decline of 18.7 percent

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from the inflation-adjusted \$2.1 billion excluded in 2001 (Figure A). Canada-based taxpayers reported the second largest amount at nearly \$1.5 billion in exclusions for foreign-earned income, up 26.2 percent from 2001.

The tax home with the third highest amount reported was Iraq, with nearly \$1.2 billion, after having no exclusions reported in 2001. Iraq was one of three countries listed by the U.S. as falling under travel restrictions in 2001.⁵ Income earned in any country on the list was not considered foreign-earned income. Housing expenses were not considered qualified if they were incurred while in one of the listed countries. The restriction on income and housing expenses for Iraq lasted from August 1990 until July 2004, with exceptions starting in 2003. Much of the overall growth in Asia-based countries, 36.7 percent, can be attributed to the 133.8-percent growth in China to \$0.7 billion, along with the previously mentioned new reporting from Iraq and Afghanistan.

As cited above, approximately \$1.3 billion in housing exclusions were reported by individual taxpayers for 2006, down about 38.7 percent from the \$2.2 billion reported for 2001. Of this \$1.3 billion reported for 2006, 22.2 percent was reported by individuals with a tax home of United Kingdom; 14.6 percent, Hong Kong; 10.0 percent, Japan; and 8.4 percent, China. Of all the countries represented in Figure A, only Germany (44.8 percent), China (27.5 percent), and Switzerland (17.9 percent) showed increases in the amount of housing exclusion claimed for 2006.

The housing deduction is used by taxpayers with foreign-earned income to increase their total statutory adjustments, thus decreasing adjusted gross income. For 2006, just over \$83.6 million were reported by all taxpayers for the housing deduction, down from the inflation-adjusted \$104.8 million claimed for 2001, a decrease of 20.2 percent. The average housing deduction for those taxpayers claiming the deduction was \$21,178 for 2006.

Individual taxpayers claiming both the foreign-earned income and housing exclusions, along with the housing deduction, reported worldwide income of over \$57.0 billion for 2006. These taxpayers used the aforementioned exclusions and deduction to reduce their worldwide incomes by nearly \$19.8

billion, or almost 35 percent. Approximately 57.4 percent of all taxpayers with foreign-earned income, after claiming the foreign-earned income and housing exclusion, housing deduction, and any foreign tax credit to which they were entitled, had no U.S. income tax liability. This is up from 54.6 percent for 2001.

Starting in 2006, individual taxpayers reporting foreign-earned income on their tax returns were instructed to use a new foreign-earned income tax worksheet to figure out their tax. This worksheet calculated tax on nonexcluded income using tax rates that would have applied had they not claimed the exclusion. The change in the calculation affected nearly 139,000 returns and resulted in an additional \$806 million in tax.

Overview of Foreign Tax Credit Provisions

For 2006, U.S. taxpayers with income from sources outside the United States, regardless of their residency, could claim a credit against their U.S. income tax liabilities for most foreign taxes they paid or accrued (except for taxes paid on income excluded under the foreign-earned income provisions). The purpose of the credit, originally created in 1918, is to avoid double taxation on foreign-source income, since the United States taxes its citizens and resident aliens based on their worldwide incomes.

The foreign tax credit is subject to a limitation based on the taxpayer's total U.S. income tax liability. These limitations prevent taxpayers from using foreign taxes paid in relatively high tax rate countries to offset taxes paid on their U.S.-source incomes. The limitation is computed separately for the following categories of foreign-source income: passive income, high withholding tax interest, financial services income, shipping income, dividends from an Interest-Charge Domestic International Sales Corporation (IC-DISC), distributions from a Foreign Sales Corporation (FSC), lump-sum distributions from certain retirement plans, Section 901(j) income, certain income resourced by a treaty, and other (general limitation) income.⁶ The allowable credits for each type of foreign-source income are then added together.

Passive income generally includes dividends, interest, rents, royalties, and annuities. High withholding tax interest is foreign interest income that

⁵ Cuba and Libya were also listed.

⁶ Foreign income reported in the IC-DISC (Interest-Charge Domestic International Sales Corporation) category may include dividends from a former DISC (Domestic International Sales Corporation). The IC-DISC entity was created by the Deficit Reduction Act of 1984 and replaced the DISC.

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is subject to a gross withholding tax of at least 5 percent. Financial services income includes income derived by a financial service entity engaged in banking, financing, or insurance. Shipping income is income from the use of any aircraft or vessel in foreign commerce or income derived from space and ocean activities. IC-DISC dividends are dividend income from domestic international sales corporations dealing with exports, to the extent these dividends are treated as foreign. FSC distributions are derived from earnings and profits attributable to foreign trade income. Lump-sum distributions are distributions from a retirement plan that are subject to U.S. tax using income averaging. Section 901(j) income is income earned from activities conducted in a sanctioned country; no credit is allowed for taxes paid or accrued to sanctioned countries.⁷ Certain income re-sourced by treaty allows specific types of income to be treated as foreign-source income if there is a tax treaty that treats it as such and the treaty is applied. General limitation income is all other foreign income from sources outside the United States.

In general, for taxpayers who file Form 1116, *Foreign Tax Credit*, with Form 1040, the limitation on the foreign tax credit for each type of income is calculated by multiplying the total U.S. income tax liability before credits by the ratio of the foreign-source taxable income for that type of income to total U.S. taxable income.⁸ However, not all taxpayers who claim the foreign tax credit file Form 1116 (see Data Sources and Limitations). Foreign taxes paid in excess of the limitation can be carried back 1 year and then forward up to 10 years. Taxes carried to another year are added to taxes available for credit for that year for the same limitation income. Tables 3 through 5 present statistics on the foreign tax credit and related foreign-source income reported on individual income tax returns.

Foreign-Source Gross Income

Foreign-source gross income is all income earned outside the United States, except for income used to

claim the foreign-earned income exclusion. Taxpayers reported \$120.0 billion in foreign-source gross income for 2006. This represents approximately 10.1 percent of total worldwide income for those taxpayers who reported foreign-source gross income and about 1.5 percent of total worldwide income for all U.S. taxpayers. These statistics include only foreign-source gross income reported on Form 1116, because some taxpayers with foreign-source gross income do not file Form 1116.⁹ Between 2001 and 2006, foreign-source gross income grew 86.6 percent

Figure D

Selected Income, Exclusion, Deduction, and Credit Items, Tax Years 2001 and 2006

[Money amounts are in thousands of dollars]

Item	2001 [1]	2006	Percentage change
	(1)	(2)	(3)
Worldwide income [2]	7,111,026,545	8,164,179,385	14.8
Form 2555			
Total foreign-earned income	31,212,403	36,738,574	17.7
Foreign-earned income exclusion before deductions	16,020,249	18,357,200	14.6
Housing exclusion	2,180,244	1,336,430	-38.7
Housing deduction	104,808	83,632	-20.2
Form 1116			
Foreign-source gross income	64,272,272	119,963,255	86.6
Foreign tax credit	7,119,589	10,958,470	53.9

[1] For comparability, 2001 amounts have been adjusted for inflation to 2006 constant dollars.

[2] Worldwide income is total income or loss reported on Form 1040 before the foreign-earned income and housing exclusions have been taken.

in real percentage terms, whereas worldwide income reported on all individual U.S. tax returns grew only 14.8 percent during that period (Figure D).

Of the \$120.0 billion in foreign-source gross income, nearly \$63.1 billion, representing 52.6 percent, were reported without a specific country being stated, while \$56.9 billion were reported for a specific country.¹⁰ The top five countries with the most in

⁷ A foreign tax credit is not allowed for foreign taxes paid or accrued to countries sanctioned by the U.S. Government. Nevertheless, a foreign tax credit limitation is computed for each sanctioned country. For 2006, the countries are Cuba, Iran, North Korea, Sudan, and Syria.

⁸ For income from the certain income re-sourced by treaty category, a separate foreign tax credit limitation has to be computed for each amount resourced from a treaty country.

⁹ Taxpayers with \$300 (\$600 if married filing a joint return) or less in creditable foreign taxes that also met certain other conditions, mainly that the foreign-source gross income was from the passive income category and all of the income and any foreign taxes paid on it were reported on a qualified payee statement, did not have to file Form 1116 to claim the foreign tax credit on Form 1040. Also, some taxpayers deduct their foreign taxes on Schedule A rather than taking a credit by filing Form 1116. Therefore, foreign-source income for these taxpayers would not be reported.

¹⁰ The \$63.1 billion of total foreign-source gross income reported without a specific country being stated include \$62.5 billion where the country is not stated, as well as \$0.4 billion for IC-DISC dividends and slightly over \$0.1 billion for FSC dividends.

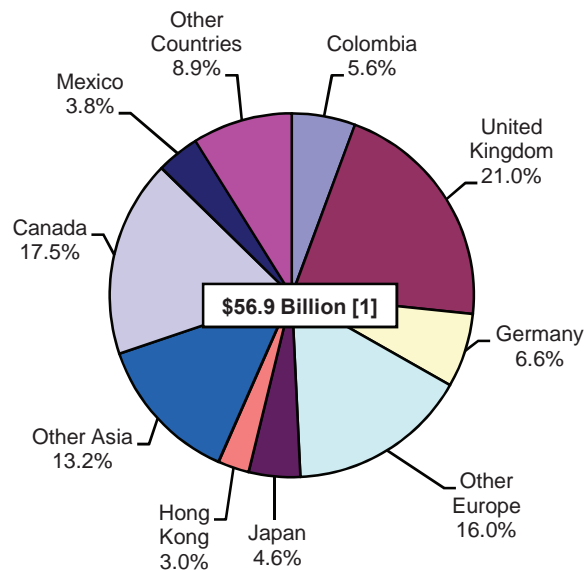
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foreign-source gross income are the United Kingdom with \$11.9 billion, followed by Canada with \$10.0 billion, Germany with \$3.7 billion, Colombia with \$3.2 billion, and Japan with \$2.6 billion. Together, these five countries accounted for 55.3 percent of total foreign-source gross income with a stated country. Separately, 21.0 percent was earned in the United Kingdom, 17.5 percent in Canada, 6.6 percent in Germany, 5.6 percent in Colombia, and 4.6 percent in Japan (Figure E).

Figure E

Foreign-Source Gross Income, by Selected Country or Region, Tax Year 2006



[1] Foreign-source gross income reported on the Form 1116 with stated country or region. Total foreign-source income (including that reported without a country or region) was \$120.0 billion.
NOTE: Percentages may not add to 100 due to rounding.

The overall average foreign-source gross income reported by U.S. taxpayers on Form 1116 was \$40,777. For the top five leading countries mentioned above, the average foreign-source gross income reported was \$93,596, \$41,493, \$88,157, \$2,583,418, and \$53,790, respectively. The high average foreign-source gross income of \$2,583,418 for Colombia was largely the result of a few returns reporting a sizeable foreign-source gross income from

Colombia, while the total number of returns with income from Colombia was a little over 1,200. In contrast, over 125,000 returns reported foreign-source gross income from the United Kingdom.

Among the geographic regions with the most significant foreign-source gross income (see Figure F), the region with the highest growth between 2001 and 2006 was Latin/South America. Foreign-source gross income reported for Latin/South American countries grew 186.6 percent for that period, rising to just over \$4.3 billion for 2006 from an inflation-adjusted \$1.5 billion for 2001. Much of this increase is due to the growth in foreign-source gross income earned in Colombia. Foreign-source gross income reported for Colombia grew 405.1 percent from 2001 to 2006, from \$0.6 billion to \$3.2 billion, and, for 2006, Colombia accounted for 74.2 percent of total foreign-source gross income earned in Latin/South American countries.

Despite the large growth for Latin/South American countries, the amount of foreign-source gross income (\$4.3 billion) for this region was still much smaller than for other regions. Europe had the largest foreign-source gross income at \$24.8 billion (more than double the amount of the next largest region), representing 43.6 percent of all income with a stated country. North America followed with \$12.1 billion and Asia with \$11.7 billion. For additional data on foreign-source gross income by region or country, see Table 4.

Foreign Taxes and Foreign Tax Credit

For 2006, U.S. taxpayers paid (or accrued) nearly \$13.9 billion in foreign taxes as reported on Form 1116. This was before carrybacks, carryovers, and reductions. Of the top five countries in terms of foreign taxes paid or accrued, the first four, the United Kingdom, Canada, Germany, and Japan, were also the top four countries in both 1996 and 2001.^{11, 12} However, the fifth country for 2006 was China, with nearly \$0.5 billion in foreign taxes paid, while the fifth country for 2001 was Australia. Combined, foreign taxes paid or accrued to the top five countries for 2006 accounted for 48.3 percent of the total.

As with foreign-source gross income, the United Kingdom accounted for more of the foreign taxes

¹¹ See Curry, Jeff and Maureen Keenan Kahr, "Individual Foreign-Earned Income and Foreign Tax Credit, 2001," *Statistics of Income Bulletin*, Spring 2004, Volume 23, Number 4.

¹² See Curry, Jeff; and Maureen Keenan Kahr; and Sarah E. Nutter, "Individual Foreign-Earned Income and Foreign Tax Credit, 1996," *Statistics of Income Bulletin*, Summer 1999, Volume 19, Number 1.

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Figure F

Foreign-Source Gross Income and Foreign Taxes, by Selected Country or Region, Tax Years 2001 and 2006

[Money amounts are in thousands of dollars]

Item, selected country or region	2001 [1]	2006	Percentage change
	(1)	(2)	(3)
Foreign-source gross income, total	64,272,272	119,963,255	86.6
North America	8,166,125	12,133,130	48.6
Canada	6,559,127	9,966,174	51.9
Other North America [2]	1,606,999	2,166,955	34.8
Asia	8,513,439	11,696,581	37.4
China	471,295	1,578,847	235.0
Hong Kong	1,418,253	1,583,595	11.7
Japan	3,263,158	2,596,680	-20.4
Other Asia	3,360,733	5,937,459	76.7
Europe	18,786,658	24,809,573	32.1
Germany	3,372,626	3,742,259	11.0
United Kingdom	9,762,470	11,940,245	22.3
Other Europe	5,651,562	9,127,069	61.5
Latin/South America	1,510,838	4,330,765	186.6
Colombia	636,321	3,213,772	405.1
Other Latin/South America	874,517	1,116,993	27.7
Oceania	1,224,879	1,196,689	-2.3
Australia	1,126,147	1,004,632	-10.8
Other Oceania	98,731	192,056	94.5
Other	26,070,333	65,796,517	152.4
Foreign taxes paid or accrued, total	10,418,903	13,885,215	33.3
North America	1,490,616	2,034,525	36.5
Canada	1,169,267	1,773,465	51.7
Other North America [2]	321,349	261,060	-18.8
Asia	2,055,097	2,348,346	14.3
China	138,629	469,638	238.8
Hong Kong	225,409	270,900	20.2
Japan	789,618	658,674	-16.6
Other Asia	901,441	949,134	5.3
Europe	4,784,855	5,424,521	13.4
Germany	568,211	760,185	33.8
United Kingdom	2,970,532	3,046,948	2.6
Other Europe	1,246,113	1,617,388	29.8
Latin/South America	220,999	286,178	29.5
Colombia	21,281	82,923	289.7
Other Latin/South America	199,718	203,255	1.8
Oceania	372,184	255,492	-31.4
Australia	356,334	232,008	-34.9
Other Oceania	15,851	23,483	48.1
Other	1,495,152	3,536,153	136.5

[1] For comparability, 2001 amounts have been adjusted for inflation to 2006 constant dollars.

[2] For 2001, all the data for Other North America are from Mexico.

NOTES: Detail may not add to totals because of rounding. Data are from Forms 1116.

paid than any other country. Just over \$3.0 billion in foreign taxes were paid or accrued to the United Kingdom (Figure G). This represents 28.5 percent of total foreign taxes paid (excluding foreign taxes paid not attributable to any country). The next largest recipient of foreign taxes paid or accrued was

Canada with \$1.8 billion (16.6 percent), followed by Germany with \$0.8 billion (7.1 percent), and Japan with \$0.7 billion (6.2 percent). Of the \$13.9 billion in foreign taxes paid or accrued, nearly \$3.2 billion, representing approximately 22.9 percent of the total amount, were reported without a stated country.¹³

¹³ The \$3.2 billion of total foreign taxes paid or accrued without a specific country being stated include amounts from the IC-DISC dividends and FSC dividends income categories.

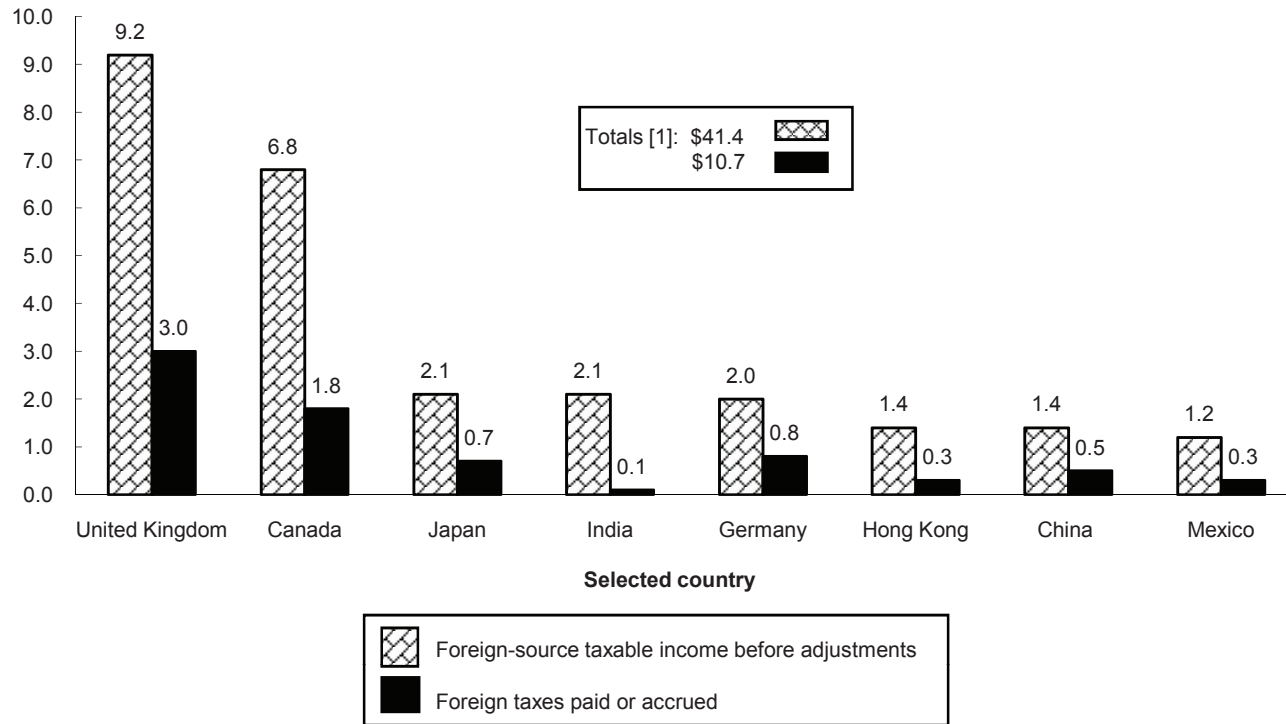
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Figure G

Foreign-Source Taxable Income and Foreign Taxes, by Selected Country, Tax Year 2006

Billions of dollars



[1] Totals represent amounts reported on Form 1116 with stated country or region.
NOTE: Detail may not add to totals because of rounding. Data are from Forms 1116.

As shown in Figure F, total foreign taxes paid or accrued grew 33.3 percent between 2001 and 2006. Among the most significant regions, North America had the highest growth, 36.5 percent. This was primarily due to the 51.7-percent real growth in foreign taxes paid or accrued to Canada.

Latin/South America showed the next highest growth, 29.5 percent. As for countries in this region, there was substantial growth, 289.7 percent, in foreign taxes paid or accrued to Colombia. However, the amount of foreign taxes paid or accrued to Latin/South American countries, just \$0.3 billion, was still small in comparison to other regions.

As for Asia and Europe, the growth in these areas was more modest. Asia grew 14.3 percent, while Europe grew 13.4 percent. Even with the modest growth, European countries were the largest recipient of foreign taxes paid or accrued at \$5.4 billion. As

the United Kingdom continues to maintain its position as the largest country in terms of foreign taxes paid, the growth has slowed. From 1996 to 2001, foreign taxes paid or accrued to the United Kingdom grew 85.4 percent, but the growth from 2001 to 2006 was only 2.6 percent.

The income type for which most of the nearly \$13.9 billion in foreign taxes reported on Form 1116 were paid or accrued was general limitation income. Slightly over \$11.3 billion in foreign taxes, representing 81.5 percent of the total, were reported for general limitation income. Passive income was the next largest income type, with just over \$2.3 billion (16.7 percent of the total) in foreign taxes. Total foreign taxes available for credit after carrybacks, carryover, and reductions were \$18.1 billion, and the foreign tax credit before adjustments was approximately \$10.7 billion. (See Explanation of Selected

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Terms.) Table 5 presents additional data on foreign taxes, by income type.

For 2006, a foreign tax credit was reported on 6.4 million individual tax returns, an increase of 62.8 percent from the 3.9 million returns for 2001. The foreign tax credit grew in real terms by 53.9 percent between 2001 and 2006, and reached an all-time high of \$11.0 billion for 2006, up \$3.9 billion from the inflation-adjusted \$7.1 billion reported for 2001 (Figure D).

Though the foreign tax credit grew between 2001 and 2006, it did not grow for each of the years in between. For 2002 and 2003, total inflation-adjusted foreign tax credits claimed fell, 6.6 percent and 4.3 percent, respectively, and then increased for the remaining years. The growth for 2004 was 13.4 percent, followed by 34.0-percent growth for 2005, and 13.4-percent growth for 2006 (Figure H). The average foreign tax credit for 2006 was \$1,707, down slightly from \$1,806 (in 2006 constant dollars) for 2001.

Summary

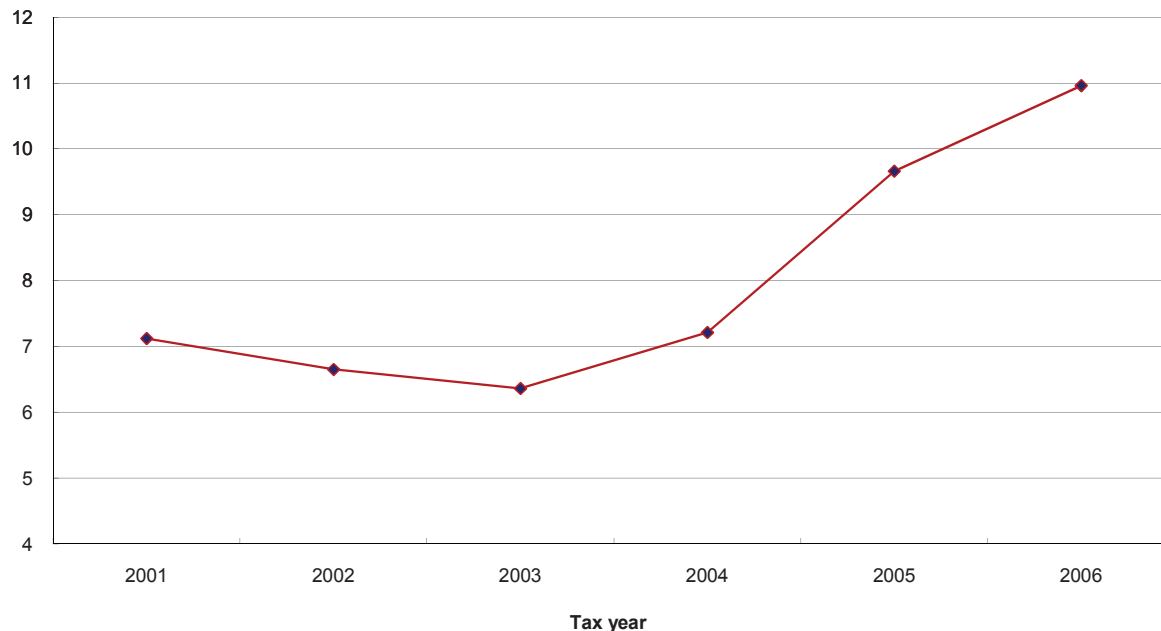
For 2006, the total amount of foreign-earned income reported by U.S. taxpayers grew in real terms by 17.7 percent, to over \$36.7 billion. The largest percentage increase was realized by returns from Asian-based countries, which grew by 29.1 percent, while North American-based countries (21.0 percent) and European-based countries (10.2 percent) grew substantially as well. Latin/South American-based countries saw a decline of 16.7 percent, after showing an increase of 18.3 percent during the 2001 study.

Taxpayers with a tax home in the United Kingdom reported, by far, the most foreign earned income at just over \$6.2 billion. The largest overall growth by an individual country was from China-based taxpayers, which increased 110.2 percent to just over \$1.7 billion. Also showing substantial growth were Switzerland (37.9 percent), South Korea (34.7 percent), Canada (31.5 percent), and Germany (22.8 percent).

Figure H

Foreign Tax Credit, Tax Years 2001-2006

Billions of dollars



NOTE: For comparability, all amounts have been adjusted for inflation to 2006 constant dollars.

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Iraq-based taxpayers reported the fifth highest amount of foreign-earned income, with more than \$1.8 billion, after having no returns in the 2001 study. In contrast with the growth of foreign-earned income for 2006, the total amount of housing exclusion claimed declined by 38.7 percent, from \$2.2 billion reported for 2001 to \$1.3 billion for 2006. The housing deduction also declined in 2006, by 20.2 percent to \$83.6 million.

Foreign-source gross income reported by U.S. taxpayers reached nearly \$120.0 billion for 2006, and the total foreign tax credit claimed was \$11.0 billion for the same period. These amounts represented notable growth in foreign-source gross income and the foreign tax credit from 2001, the last time a study was prepared on these data. For 2006, foreign-source gross income grew, in real terms, 86.6 percent, and the foreign tax credit grew 53.9 percent. As the source of \$24.8 billion in foreign-source gross income and the recipient of \$5.4 billion in foreign taxes paid, European countries were the largest component of these measures. Additionally, a foreign tax credit was claimed on 6.4 million returns, an increase of 62.8 percent from 2001, while the size of the credit grew in real terms by 53.9 percent over this period.

Data Sources and Limitations

The 2006 data presented in this article are based on a sample of individual income tax returns, Forms 1040, processed during Calendar Year 2007, that have one or more of the following: a foreign tax credit, an attached Form 1116, a foreign-earned income exclusion, housing exclusion or housing deduction, or an attached Form 2555 or Form 2555-EZ. Foreign-source income and taxes are understated in this article to the extent that they either were not nor did not have to be reported on Form 1116 to support the foreign tax credit claimed on Form 1040. Taxpayers with \$300 (\$600 if married filing a joint return) or less in creditable foreign taxes who also met certain other conditions were not required to file Form 1116 to claim the foreign tax credit. Therefore, about 61.7 percent of Forms 1040 (as originally filed) with a foreign tax credit did not include the supporting Form 1116. The average foreign tax credit reported on these returns was \$70. Foreign-source income and losses are also understated to the extent that taxpayers who were not eligible for a credit did not

file Form 1116. Taxpayers who had foreign-source income but paid no taxes or had no U.S. tax liability before credits could not claim a foreign tax credit.

About 1.7 percent of the sampled returns with a foreign tax credit or an attached Form 1116 and 13.2 percent of the sampled returns with an attached Form 2555 or Form 2555-EZ were for tax years prior to 2006, reported on delinquent returns processed during the 2006 filing period. These prior-year returns were included as a representation of 2006 returns filed after December 31, 2007. The sampled returns used for the statistics do not reflect adjustments made during audit examination, which determines the acceptability of the reported data.

The sample was stratified based on: (1) the presence or absence of Form 2555, *Foreign Earned Income*, Form 2555-EZ, *Foreign Earned Income Exclusion*, and Form 1116, *Foreign Tax Credit*; (2) presence or absence of other specific forms or schedules; (3) the larger of positive income or negative income; (4) the size of business and farm receipts; and (5) the usefulness of returns for tax policy modeling purposes. The data from Form 2555, *Foreign Earned Income*, and Form 1116, *Foreign Tax Credit*, for 2006 are based on a sample of 104,849 returns and a population of 7,129,627 returns. For a general description of the sampling procedures and data limitations of Statistics of Income tabulations, see *Statistics of Income, Individual Income Tax Returns 2006* and SOI Sampling Methodology and Data Limitations in the back of this issue.

Explanation of Selected Terms

Foreign tax credit adjustments—These include reductions for participation in unsanctioned international boycotts and increases permitted by tax treaties between the United States and certain foreign countries.

Statutory adjustments—Certain adjustments to total income were allowed as deductions in the calculation of adjusted gross income. These mainly included Archer MSA deductions, educator expenses, certain business expenses of certain reservists, performing artists, and fee-based government officials, health savings account deduction, moving expenses, the deduction for one-half of self-employment tax, payments to a self-employed Keogh retirement plan or a simplified employee pension (SEP), the self-em-

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ployed health insurance deduction, forfeited interest penalty, alimony paid, payments to an IRA, student loan interest deductions, jury duty pay given to an employer, deduction for certain domestic production activities, tuition and fees deductions, and the foreign housing deduction.

Foreign-source taxable income—This is foreign-source gross income less deductions and losses. The deductions include any expenses directly related to foreign-source income, a prorated share of the taxpayer's itemized or standard deductions, and a prorated share of interest expenses.

Worldwide income—This is the total income or loss reported on Form 1040 before the foreign-earned income and foreign housing exclusions have been taken. It includes salaries and wages; taxable interest; dividends; taxable refunds of State and local income taxes; alimony received; business income or loss; capital gains or losses, and taxable distributions from an IRA; taxable pensions and annuities; income or loss from rents, royalties, partnerships, S corporations, and estates and trusts; farm income or loss; unemployment compensation; taxable Social Security benefits; and other income or losses.

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Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006

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

Size of adjusted gross income	Total number of returns [1]	Selected income, exclusion, deduction, and credit items reported on Form 1040					
		Adjusted gross income or deficit	Worldwide income [2]	Salaries and wages		Foreign-earned income exclusion [3]	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns	334,851	37,033,327	57,022,480	318,987	43,989,267	329,264	18,154,653
No adjusted gross income	69,986	-279,210	2,789,969	65,201	2,927,578	68,781	3,002,210
\$1 under \$10,000	76,680	254,629	3,802,492	73,193	3,494,941	75,005	3,484,089
\$10,000 under \$25,000	41,416	703,336	3,043,184	39,501	2,663,830	40,162	2,253,692
\$25,000 under \$50,000	39,348	1,435,074	3,791,781	37,924	3,198,543	38,859	2,229,633
\$50,000 under \$75,000	24,327	1,503,491	3,070,108	23,187	2,542,719	24,226	1,443,808
\$75,000 under \$100,000	16,150	1,404,428	2,534,860	15,562	2,159,071	16,089	1,034,390
\$100,000 under \$200,000	30,702	4,316,245	6,700,650	29,864	5,676,931	30,530	2,056,528
\$200,000 under \$500,000	24,326	7,423,446	9,656,697	23,436	8,110,280	24,006	1,755,019
\$500,000 under \$1,000,000	7,180	4,932,644	5,710,809	6,805	4,471,017	6,975	540,579
\$1,000,000 under \$1,500,000	2,034	2,480,648	2,721,199	1,831	1,921,420	2,005	153,207
\$1,500,000 under \$2,000,000	843	1,448,715	1,545,672	774	1,115,838	824	61,706
\$2,000,000 under \$5,000,000	1,341	3,949,063	4,120,596	1,224	2,633,610	1,308	101,266
\$5,000,000 under \$10,000,000	309	2,095,008	2,137,653	293	1,258,473	293	22,930
\$10,000,000 or more	209	5,365,809	5,396,809	192	1,815,016	200	15,598

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006—Continued

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

Size of adjusted gross income	Selected income, exclusion, deduction, and credit items reported on Form 1040									
	Total adjustments		Taxable income		Foreign tax credit		Total income tax		Number of Forms 2555 filed by primary taxpayer	Number of Forms 2555 filed by secondary taxpayer
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
All returns	76,339	498,071	168,292	32,622,379	90,242	4,907,376	142,524	4,269,286	328,981	37,097
No adjusted gross income	12,221	39,390	0	0	* 10	* 5	**	**	69,757	5,098
\$1 under \$10,000	14,409	37,711	2,643	2,658	588	94	** 1,331	** 246	76,439	6,898
\$10,000 under \$25,000	10,844	34,323	21,792	148,881	5,297	6,174	17,069	21,262	40,899	4,461
\$25,000 under \$50,000	11,413	48,801	36,837	702,969	12,100	30,559	27,929	97,531	37,057	6,626
\$50,000 under \$75,000	7,651	41,856	24,033	974,282	10,448	64,777	20,646	136,614	23,260	3,443
\$75,000 under \$100,000	4,332	26,216	16,097	1,038,630	7,875	80,022	14,327	161,971	15,480	2,108
\$100,000 under \$200,000	7,363	65,111	30,653	3,510,980	21,329	406,441	27,499	484,765	30,060	3,934
\$200,000 under \$500,000	5,104	75,536	24,324	6,743,197	21,253	1,131,148	22,456	808,816	24,165	3,116
\$500,000 under \$1,000,000	1,706	56,845	7,176	4,686,360	6,795	880,053	6,770	573,289	7,146	945
\$1,000,000 under \$1,500,000	518	29,867	2,034	2,382,233	1,928	444,618	1,923	305,299	2,024	192
\$1,500,000 under \$2,000,000	200	9,505	843	1,399,856	823	255,714	791	183,944	843	74
\$2,000,000 under \$5,000,000	406	21,561	1,340	3,793,493	1,294	657,451	1,291	515,259	1,334	146
\$5,000,000 under \$10,000,000	99	6,039	309	2,029,870	301	339,177	294	265,340	307	34
\$10,000,000 or more	71	5,311	209	5,208,969	201	611,143	197	714,948	209	20

Footnotes at end of table.

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Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006—Continued

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

Size of adjusted gross income	Selected income, exclusions, and deductions reported on Form 2555							
	Total foreign-earned income		Foreign-earned income reported on Form 2555 only		Salaries and wages		Business or professional income (less loss)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
All returns	333,944	36,738,574	246,558	32,835,529	230,363	23,943,539	20,660	1,323,788
No adjusted gross income	70,021	3,165,545	34,829	1,654,137	31,554	1,444,343	4,054	139,271
\$1 under \$10,000	76,647	3,640,862	44,877	2,272,889	41,573	2,014,224	4,653	159,466
\$10,000 under \$25,000	40,400	2,628,379	32,645	2,220,237	30,561	2,043,428	2,608	83,370
\$25,000 under \$50,000	39,493	2,971,763	32,077	2,629,479	30,414	2,365,456	2,434	132,111
\$50,000 under \$75,000	24,338	2,253,217	21,581	2,121,070	20,452	1,843,055	1,765	97,394
\$75,000 under \$100,000	16,104	1,889,616	15,124	1,842,837	14,365	1,574,850	1,168	90,218
\$100,000 under \$200,000	30,786	4,777,242	29,649	4,710,327	27,969	3,614,137	2,119	188,949
\$200,000 under \$500,000	24,222	6,438,466	23,959	6,420,417	22,733	4,040,131	1,229	213,844
\$500,000 under \$1,000,000	7,210	3,386,055	7,134	3,378,947	6,613	1,962,453	360	77,914
\$1,000,000 under \$1,500,000	2,037	1,386,376	2,019	1,385,299	1,755	710,245	109	29,213
\$1,500,000 under \$2,000,000	843	704,479	836	704,159	747	423,559	39	14,414
\$2,000,000 under \$5,000,000	1,336	1,624,397	1,329	1,624,029	1,172	904,338	92	59,575
\$5,000,000 under \$10,000,000	304	653,510	302	653,386	277	339,431	18	18,437
\$10,000,000 or more	204	1,218,667	199	1,218,315	179	663,890	12	19,611

Footnotes at end of table.

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Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006—Continued

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

Size of adjusted gross income	Selected income, exclusions, and deductions reported on Form 2555							
	Partnership income (less loss)		Noncash income		Allowances, reimbursements, or expenses paid by employers		Less: meals and lodging excluded	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
All returns	2,229	960,616	10,680	146,172	46,284	4,792,710	1,761	18,257
No adjusted gross income	* 333	* 18,032	2,109	18,198	1,629	18,457	* 215	* 1,177
\$1 under \$10,000	* 208	* 11,024	1,619	12,177	3,392	39,750	* 201	* 2,618
\$10,000 under \$25,000	* 159	* 11,018	1,285	12,268	2,748	56,859	606	3,357
\$25,000 under \$50,000	* 180	* 5,656	1,959	18,023	3,428	86,805	* 306	* 2,070
\$50,000 under \$75,000	* 14	* 1,939	685	11,935	3,372	139,512	* 114	* 1,601
\$75,000 under \$100,000	* 59	* 1,304	514	9,425	3,039	137,581	* 52	* 703
\$100,000 under \$200,000	133	22,705	1,044	24,009	10,188	676,241	177	3,675
\$200,000 under \$500,000	374	97,485	983	21,634	12,466	1,582,397	79	1,653
\$500,000 under \$1,000,000	341	173,933	303	11,651	3,853	865,986	* 5	* 181
\$1,000,000 under \$1,500,000	207	189,202	90	2,592	958	312,832	* 3	* 1
\$1,500,000 under \$2,000,000	55	48,830	** 74	** 2,731	404	134,160	** 4	** 1,221
\$2,000,000 under \$5,000,000	125	147,936	**	**	589	341,487	**	**
\$5,000,000 under \$10,000,000	25	43,262	11	895	137	168,845	0	0
\$10,000,000 or more	15	188,291	* 4	* 634	81	231,796	0	0

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006—Continued

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

Size of adjusted gross income	Selected income, exclusions, and deductions reported on Form 2555							
	Other foreign-earned income (less loss)		Foreign-earned income exclusion before deductions		Housing exclusion		Housing deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
All returns	19,837	1,686,961	330,471	18,357,200	57,009	1,336,430	3,949	83,632
No adjusted gross income	1,509	17,014	68,991	3,042,573	1,856	27,579	* 150	* 1,139
\$1 under \$10,000	2,293	38,865	75,168	3,516,734	2,209	26,064	* 228	* 3,408
\$10,000 under \$25,000	1,090	16,653	40,352	2,277,452	3,463	51,833	401	3,366
\$25,000 under \$50,000	1,152	23,498	39,099	2,258,338	5,834	78,273	597	6,991
\$50,000 under \$75,000	1,086	28,835	24,338	1,457,527	5,072	80,954	494	5,130
\$75,000 under \$100,000	907	30,160	16,104	1,047,706	4,126	69,827	298	4,313
\$100,000 under \$200,000	3,804	187,962	30,650	2,076,320	12,624	262,765	588	8,943
\$200,000 under \$500,000	5,031	466,580	24,113	1,772,062	14,384	402,696	477	12,631
\$500,000 under \$1,000,000	1,834	287,191	7,013	546,996	4,667	180,742	341	12,157
\$1,000,000 under \$1,500,000	515	141,215	2,011	156,275	1,242	57,477	155	8,962
\$1,500,000 under \$2,000,000	219	83,016	825	62,804	495	25,746	51	3,095
\$2,000,000 under \$5,000,000	291	169,363	1,314	103,307	751	48,706	126	7,548
\$5,000,000 under \$10,000,000	76	82,517	294	23,305	179	13,676	23	2,155
\$10,000,000 or more	31	114,094	200	15,802	105	10,091	19	3,795

*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. However, data are included in the appropriate totals.

[1] Includes returns with no foreign-earned income, but filed to claim an exclusion for a prior year or for reporting purposes.

[2] Worldwide income is total income or loss reported on Form 1040 before the foreign-earned income and housing exclusions have been taken.

[3] Amount reported on Form 1040 is the total amount of foreign-earned income exclusion after subtracting deductions allocable to excluded income.

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

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 2. Individual Income Tax Returns With Form 2555: Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction, by Country or Region, Tax Year 2006

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

Country or region	Number of returns [1]	Total foreign-earned income	Foreign-earned income			
			Salaries and wages	Business or professional income (less loss)	Partnership income (less loss)	Noncash income
	(1)	(2)	(3)	(4)	(5)	(6)
All geographic areas	334,851	36,738,574	23,943,539	1,323,788	960,616	146,172
North America, total	36,179	3,248,559	2,414,177	215,932	33,603	4,918
Canada	30,067	2,671,963	2,035,925	184,705	29,253	1,120
Greenland	0	0	0	0	0	0
Mexico	6,112	576,596	378,251	31,226	* 4,350	3,798
Latin/South America, total	13,911	1,164,998	756,403	60,693	* 6,796	3,484
Argentina	751	85,013	45,690	* 3,574	0	* 54
Brazil	2,696	276,110	181,038	12,867	* 23	* 734
Chile	902	107,074	68,291	* 6,840	0	* 579
Colombia	1,870	136,197	71,470	* 2,352	* 524	* 334
Costa Rica	1,662	107,935	59,808	* 5,603	0	0
Panama	1,032	81,134	63,834	* 1,203	0	0
Peru	419	48,359	25,328	* 10,764	0	0
Venezuela	705	108,725	75,691	* 901	* 796	0
Other Latin and South American countries	3,876	214,451	165,254	16,587	* 5,453	* 1,784
Caribbean, total	7,323	784,459	531,365	26,797	* 4,101	4,759
Bahamas	1,089	91,211	69,717	* 595	* 394	* 890
Bermuda	1,758	350,693	238,162	* 13,647	0	1,387
Cayman Islands	970	73,013	42,836	* 8,540	0	* 113
Dominican Republic	1,093	61,041	52,303	0	* 459	* 891
Other Caribbean countries	2,414	208,502	128,347	* 4,016	* 3,249	* 1,479
Europe, total	99,732	13,306,949	7,910,345	506,528	618,712	31,911
Austria	1,361	97,384	59,897	* 1,986	* 1,740	0
Belgium	1,881	312,965	187,312	* 8,011	* 8,223	1,152
Czech Republic	1,091	86,297	63,749	0	* 7,805	0
Denmark	1,754	124,420	69,544	* 252	0	* 84
Finland	354	46,540	29,761	0	* 126	0
France	9,653	944,881	583,390	61,897	53,505	3,032
Germany	21,513	1,718,890	1,026,484	89,101	* 21,857	6,821
Greece	1,484	85,668	43,099	* 4,536	* 5,138	* 52
Hungary	604	58,764	33,748	* 146	* 992	* 34
Ireland	1,896	151,446	88,322	4,493	* 2,592	* 436
Italy	5,199	444,533	261,322	37,166	* 10,010	* 894
Luxembourg	219	36,438	27,884	* 2	0	* 32
Netherlands	3,263	438,193	246,738	12,175	* 6,975	2,804
Norway	1,215	146,445	72,112	* 232	0	* 265
Poland	735	49,419	29,855	* 6,757	* 1,142	* 371
Portugal	387	23,444	18,512	* 1,155	0	* 17
Russia	2,495	575,457	341,506	36,158	17,739	* 1,821
Spain	2,453	203,428	129,593	8,880	* 5,047	* 359
Sweden	1,399	123,032	75,918	* 8	0	* 38
Switzerland	7,093	997,485	722,166	21,971	20,343	3,095
Turkey	1,199	87,828	54,471	* 1,379	0	* 34
United Kingdom	28,409	6,238,909	3,541,001	186,424	452,639	9,145
Other European countries	4,078	315,082	203,960	23,798	* 2,839	* 1,424

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 2. Individual Income Tax Returns With Form 2555: Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction, by Country or Region, Tax Year 2006—Continued

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

Country or region	Number of returns [1]	Total foreign-earned income	Foreign-earned income			
			Salaries and wages	Business or professional income (less loss)	Partnership income (less loss)	Noncash income
	(1)	(2)	(3)	(4)	(5)	(6)
Africa, total	9,697	879,229	556,150	41,995	* 11,835	7,191
Algeria	* 241	* 20,112	* 9,631	0	0	0
Angola	398	75,970	33,735	* 268	0	0
Egypt	1,658	156,933	100,150	* 10,518	* 7,106	* 1,878
Kenya	992	57,015	39,868	* 2,877	0	* 3
Nigeria	906	137,051	88,403	* 3,755	* 206	* 2,442
South Africa	923	100,682	57,310	* 4,170	* 1,728	* 45
Other African countries	4,576	331,466	227,051	20,407	* 2,795	2,823
Asia, total	138,795	14,672,274	9,965,299	341,021	210,346	84,897
Afghanistan	5,912	444,723	331,428	* 20,899	0	* 874
China	12,430	1,712,601	929,581	26,440	38,075	14,554
Hong Kong	10,792	1,844,813	1,213,904	22,529	57,508	11,183
India	4,214	416,429	281,010	9,992	* 3,404	* 1,875
Indonesia	1,786	253,086	158,881	* 2,219	* 783	863
Iraq	18,325	1,827,813	1,593,028	55,671	0	* 1,013
Israel	8,986	506,127	344,434	36,061	* 8,016	* 2,084
Japan	23,529	2,106,707	1,257,739	44,218	60,979	3,749
Malaysia	1,160	150,353	99,224	* 2,016	0	* 3,279
Philippines	2,313	168,185	109,948	* 10,056	* 3,987	* 993
Saudi Arabia	5,109	617,179	528,462	* 410	0	8,895
Singapore	3,636	747,901	486,981	7,244	14,538	6,776
South Korea	6,668	694,003	463,162	26,481	* 2,922	4,166
Taiwan	6,588	563,075	380,034	* 9,211	* 3,178	* 3,844
Thailand	3,643	409,197	236,908	* 2,742	* 3,396	* 1,426
United Arab Emirates	7,423	759,629	566,746	17,482	* 1,843	9,228
Other Asian countries	16,284	1,450,451	983,831	47,349	* 11,717	10,093
Oceania, total	9,724	851,543	494,684	6,045	* 1,495	3,765
Australia	6,420	661,928	391,963	5,825	* 1,264	3,559
New Zealand	2,518	143,043	71,139	0	* 231	0
Other Oceania countries	787	46,572	31,582	* 220	0	* 206
All other countries	19,490	1,830,563	1,315,115	124,778	73,728	5,248

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 2. Individual Income Tax Returns With Form 2555: Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction, by Country or Region, Tax Year 2006—Continued

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

Country or region	Foreign-earned income			Foreign-earned income exclusion before deductions	Housing exclusion	Housing deduction
	Allowances, reimbursements, or expenses paid by employers	Less: meals and lodging excluded	Other foreign-earned income (less loss)			
	(7)	(8)	(9)	(10)	(11)	(12)
All geographic areas	4,792,710	18,257	1,686,961	18,357,200	1,336,430	83,632
North America, total	139,898	* 2,484	82,739	1,778,374	27,640	475
Canada	62,931	* 2,451	58,899	1,459,721	11,865	* 158
Greenland	0	0	0	0	0	0
Mexico	76,968	* 33	23,839	318,653	15,775	* 318
Latin/South America, total	141,420	* 819	53,935	677,079	30,066	868
Argentina	18,252	0	10,096	34,606	4,504	0
Brazil	52,192	* 21	11,322	122,346	8,534	* 383
Chile	14,060	* 22	13,034	55,454	4,307	0
Colombia	* 1,676	0	* 8,025	110,574	1,891	* 157
Costa Rica	* 3,921	0	* 2,343	81,316	1,927	0
Panama	* 5,411	0	* 379	59,768	* 993	0
Peru	7,797	0	* 3,962	26,375	* 753	* 8
Venezuela	27,950	0	1,795	52,826	5,528	0
Other Latin and South American countries	10,162	* 776	2,978	133,815	1,629	* 320
Caribbean, total	78,176	* 578	32,527	423,938	38,447	554
Bahamas	* 1,071	* 387	0	62,947	* 1,163	* 115
Bermuda	59,390	0	10,906	120,943	33,069	* 295
Cayman Islands	* 1,421	0	* 179	55,050	* 774	* 68
Dominican Republic	* 2,673	0	* -105	52,625	* 968	* 6
Other Caribbean countries	13,620	* 191	21,547	132,374	2,473	70
Europe, total	2,145,238	2,174	801,923	5,483,891	544,843	37,640
Austria	* 4,249	0	* 2,442	64,698	1,346	0
Belgium	65,488	* 30	33,609	122,311	16,381	717
Czech Republic	10,179	0	* 600	53,570	1,423	* 115
Denmark	* 2,080	0	* 10,892	92,083	1,021	0
Finland	* 7,425	0	* 1,066	25,830	766	0
France	70,409	0	30,396	494,997	38,712	3,793
Germany	161,110	* 65	72,324	1,050,100	51,291	3,460
Greece	* 4,220	* 102	* 949	65,060	* 887	* 1,155
Hungary	* 4,272	0	* 5,245	34,488	1,318	* 51
Ireland	21,045	0	3,383	92,771	2,733	* 36
Italy	58,150	* 18	15,382	280,790	18,756	972
Luxembourg	* 2,110	* 31	* 3,773	13,826	1,461	0
Netherlands	105,371	0	33,002	172,551	16,703	* 642
Norway	40,600	0	* 4,710	71,149	2,711	0
Poland	5,823	0	* 951	22,580	796	* 142
Portugal	* 1,045	0	* 378	10,121	* 220	* 111
Russia	108,209	* 368	58,807	163,857	32,785	1,826
Spain	21,651	0	5,090	117,301	3,119	* 219
Sweden	12,855	0	* 872	91,305	1,111	* 133
Switzerland	114,343	0	35,562	459,225	49,381	1,467
Turkey	7,510	0	* 4,765	55,664	1,650	* 174
United Kingdom	1,294,549	* 1,561	465,957	1,725,794	296,566	22,323
Other European countries	22,544	0	11,767	203,819	3,707	305

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 2. Individual Income Tax Returns With Form 2555: Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction, by Country or Region, Tax Year 2006—Continued

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

Country or region	Foreign-earned income			Foreign-earned income exclusion before deductions	Housing exclusion	Housing deduction
	Allowances, reimbursements, or expenses paid by employers	Less: meals and lodging excluded	Other foreign-earned income (less loss)			
	(7)	(8)	(9)	(10)	(11)	(12)
Africa, total	144,261	* 2,138	34,017	504,562	17,841	* 1,220
Algeria	* 3,665	0	0	* 11,672	* 1,028	0
Angola	34,460	0	* 3,728	25,009	1,405	* 22
Egypt	19,255	* 657	* 4,888	89,756	2,917	* 479
Kenya	* 3,812	* 3	* 508	41,746	* 571	* 124
Nigeria	25,923	* 1,143	* 7,072	61,578	2,102	* 413
South Africa	19,198	0	9,621	50,200	2,556	* 29
Other African countries	37,947	* 334	8,199	224,602	7,260	* 152
Asia, total	1,996,684	9,746	596,728	7,922,615	644,989	38,665
Afghanistan	* 3,742	* 494	0	329,893	0	* 112
China	462,495	* 11	126,800	742,633	112,418	2,788
Hong Kong	329,877	* 252	106,695	689,045	194,828	13,395
India	60,154	0	26,653	198,982	5,985	* 18
Indonesia	68,155	* 39	6,857	111,620	5,566	* 472
Iraq	7,711	* 1,668	* 3,521	1,187,886	* 2,290	* 829
Israel	* 4,189	0	5,723	401,871	650	* 145
Japan	327,858	* 2	118,823	1,115,473	133,821	10,139
Malaysia	32,086	0	9,630	67,154	6,109	* 348
Philippines	21,104	* 441	* 6,270	103,738	3,148	* 568
Saudi Arabia	27,233	* 2,117	10,237	365,144	6,352	* 4
Singapore	165,623	0	58,253	261,410	52,724	683
South Korea	91,430	0	31,944	349,846	38,858	2,976
Taiwan	64,113	* 579	14,935	348,466	14,028	* 156
Thailand	102,744	0	26,454	196,233	14,481	* 378
United Arab Emirates	70,949	* 2,836	12,732	505,403	27,230	3,240
Other Asian countries	157,220	* 1,306	31,201	947,815	26,500	2,417
Oceania, total	80,709	* 206	53,840	536,464	11,943	* 49
Australia	74,386	0	50,324	387,338	11,479	* 48
New Zealand	5,086	0	* 3,024	109,537	* 174	* 1
Other Oceania countries	* 1,237	* 206	* 491	39,589	* 291	0
All other countries	66,323	* 113	31,252	1,030,277	20,661	4,160

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

[1] Includes returns with no foreign-earned income, but filed to claim an exclusion for a prior year or for reporting purposes.

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

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006

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

Size of adjusted gross income	Number of returns	Selected income, exclusion, deduction, and credit items reported on Form 1040						
		Adjusted gross income or deficit	Salaries and wages		Foreign-earned income exclusion [2]		Foreign housing deduction	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns	6,900,020	1,787,685,547	4,667,733	704,086,824	104,195	7,104,408	2,491	66,604
No adjusted gross income	64,433	-17,910,819	21,861	1,219,751	3,091	146,315	* 10	* [6]
\$1 under \$10,000	305,026	1,415,014	112,708	741,642	4,549	278,876	* 13	* 208
\$10,000 under \$25,000	469,098	8,214,577	202,318	2,855,578	8,291	499,642	* 109	* 771
\$25,000 under \$50,000	887,538	33,638,913	516,051	14,654,289	13,759	843,784	390	4,039
\$50,000 under \$75,000	1,002,359	62,595,444	625,190	27,818,961	11,142	732,107	258	3,308
\$75,000 under \$100,000	895,792	77,908,768	620,969	39,392,615	8,307	587,165	161	2,312
\$100,000 under \$200,000	1,757,545	247,122,513	1,339,397	138,148,155	22,388	1,550,282	442	7,453
\$200,000 under \$500,000	996,360	299,504,537	809,313	162,509,345	21,475	1,597,902	420	11,115
\$500,000 under \$1,000,000	298,313	204,152,569	242,262	95,025,933	6,710	523,948	322	12,083
\$1,000,000 under \$1,500,000	87,955	106,678,881	69,862	42,219,463	1,922	147,349	150	8,831
\$1,500,000 under \$2,000,000	39,777	68,564,737	31,154	23,599,877	808	60,725	51	3,095
\$2,000,000 under \$5,000,000	65,028	196,108,884	51,771	62,338,082	1,273	98,601	124	7,507
\$5,000,000 under \$10,000,000	18,078	124,606,787	14,619	33,520,283	285	22,385	23	2,155
\$10,000,000 or more	12,720	375,084,741	10,258	60,042,849	194	15,328	18	3,729

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006—Continued

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

Size of adjusted gross income	Selected income, exclusion, deduction, and credit items reported on Form 1040—continued							
	Taxable income		Foreign tax credit		Total income tax		Worldwide income [3]	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns	6,664,735	1,504,490,773	6,418,317	10,958,470	6,446,287	343,723,194	2,940,944	1,192,814,878
No adjusted gross income	0	0	151	13	1,135	56,343	63,287	-17,580,894
\$1 under \$10,000	232,313	598,185	221,732	5,057	212,376	50,214	156,224	1,037,181
\$10,000 under \$25,000	404,828	3,176,839	388,427	30,711	357,928	246,715	204,430	4,138,026
\$25,000 under \$50,000	869,671	19,336,673	829,113	110,154	784,409	1,951,575	311,461	12,803,734
\$50,000 under \$75,000	996,588	41,982,697	952,000	206,183	953,597	5,191,736	366,616	24,143,472
\$75,000 under \$100,000	893,582	55,884,993	854,194	214,073	878,551	7,545,229	310,722	28,071,183
\$100,000 under \$200,000	1,752,344	187,647,618	1,708,249	754,929	1,745,080	32,738,495	648,483	97,039,753
\$200,000 under \$500,000	994,364	248,266,474	960,785	1,920,006	992,694	58,429,790	521,622	166,033,152
\$500,000 under \$1,000,000	297,860	177,446,971	288,317	1,432,537	297,481	47,037,359	188,730	133,026,493
\$1,000,000 under \$1,500,000	87,844	94,282,869	84,665	739,541	87,732	25,238,084	61,627	76,223,706
\$1,500,000 under \$2,000,000	39,693	60,609,961	38,493	494,282	39,672	16,223,256	29,548	51,690,843
\$2,000,000 under \$5,000,000	64,899	174,928,438	62,732	1,471,381	64,896	46,366,765	51,299	157,189,837
\$5,000,000 under \$10,000,000	18,041	111,369,003	17,310	839,138	18,040	28,287,245	15,348	106,738,639
\$10,000,000 or more	12,706	328,960,054	12,151	2,740,464	12,697	74,360,388	11,547	352,259,751

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006—Continued

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

Size of adjusted gross income	Returns with a Form 1116							
	Foreign income, taxes and credit reported on Form 1116							
	Foreign-source gross income		Foreign-source deductions and losses		Foreign-source taxable income before adjustments [4]		Foreign taxes paid or accrued on:	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns	2,789,002	119,963,255	2,565,086	41,280,524	2,789,903	78,682,731	2,648,572	13,885,215
No adjusted gross income	50,256	1,487,183	48,707	1,094,018	51,021	393,166	44,632	61,892
\$1 under \$10,000	138,876	341,414	131,637	125,296	138,506	216,119	132,213	50,195
\$10,000 under \$25,000	186,820	962,566	168,279	300,728	187,036	661,838	178,670	118,868
\$25,000 under \$50,000	286,059	2,083,552	262,469	418,079	285,255	1,665,473	268,877	283,434
\$50,000 under \$75,000	346,881	2,583,293	306,680	406,916	346,941	2,176,377	324,199	392,396
\$75,000 under \$100,000	293,390	2,344,171	266,818	326,416	293,417	2,017,755	275,346	367,075
\$100,000 under \$200,000	627,487	6,787,157	571,391	943,424	627,643	5,843,733	591,566	1,200,539
\$200,000 under \$500,000	507,887	15,785,533	474,311	2,789,667	508,186	12,995,866	487,636	2,693,275
\$500,000 under \$1,000,000	184,891	11,210,382	175,424	2,950,049	185,236	8,260,333	181,148	1,735,311
\$1,000,000 under \$1,500,000	60,401	7,480,404	57,535	2,513,146	60,482	4,967,257	59,087	902,335
\$1,500,000 under \$2,000,000	29,020	4,500,201	27,710	1,569,667	29,052	2,930,534	28,740	547,894
\$2,000,000 under \$5,000,000	50,522	14,218,711	48,479	5,359,749	50,571	8,858,962	50,107	1,637,698
\$5,000,000 under \$10,000,000	15,111	9,175,396	14,573	3,383,657	15,133	5,791,739	15,002	950,241
\$10,000,000 or more	11,402	41,003,292	11,073	19,099,712	11,422	21,903,580	11,349	2,944,063

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006—Continued

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

Size of adjusted gross income	Returns with a Form 1116—continued							
	Foreign income, taxes and credit reported on Form 1116—continued							
	Foreign taxes paid or accrued on—continued:							
	Dividends		Rents and royalties		Interest		Other income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	
All returns	2,178,672	1,483,281	22,503	151,912	63,824	72,968	596,446	12,177,054
No adjusted gross income	37,113	14,666	249	370	950	1,354	9,003	45,502
\$1 under \$10,000	110,316	6,543	* 48	* 90	1,367	629	22,192	42,933
\$10,000 under \$25,000	143,246	13,652	* 2,780	* 1,546	7,306	4,291	33,142	99,379
\$25,000 under \$50,000	204,570	29,566	* 1,346	* 80	4,748	2,637	71,722	251,151
\$50,000 under \$75,000	267,381	46,013	* 800	* 1,431	7,851	4,646	62,400	340,306
\$75,000 under \$100,000	233,401	62,694	2,462	436	4,701	2,316	48,281	301,629
\$100,000 under \$200,000	492,461	176,245	4,821	23,575	12,264	4,370	116,900	996,349
\$200,000 under \$500,000	406,993	259,707	6,686	46,531	14,291	18,307	113,492	2,368,731
\$500,000 under \$1,000,000	148,117	172,278	1,596	13,203	5,147	9,741	53,209	1,540,088
\$1,000,000 under \$1,500,000	49,491	94,783	388	3,011	1,532	3,069	19,802	801,471
\$1,500,000 under \$2,000,000	23,605	67,777	311	6,391	891	1,626	11,026	472,099
\$2,000,000 under \$5,000,000	41,192	186,014	664	19,092	1,778	9,718	21,025	1,422,873
\$5,000,000 under \$10,000,000	12,109	112,428	194	10,680	521	3,290	7,514	823,842
\$10,000,000 or more	8,679	240,914	157	25,475	476	6,975	6,739	2,670,700

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006—Continued

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

Size of adjusted gross income	Returns with a Form 1116—continued									
	Foreign income, taxes and credit reported on Form 1116—continued									
	Foreign taxes available for credit		Foreign tax carryover or carryback		Reduction in foreign taxes		Gross foreign tax credit		Foreign tax credit after adjustments [5]	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
All returns	2,812,276	18,134,570	826,175	5,819,789	71,418	1,573,261	2,457,685	10,681,401	2,460,248	10,682,923
No adjusted gross income	58,234	172,737	36,664	121,254	975	10,827	* 14	* 1	* 14	* 1
\$1 under \$10,000	147,789	64,308	64,316	47,512	3,396	34,462	72,930	2,018	72,930	2,018
\$10,000 under \$25,000	194,685	149,703	82,023	83,319	3,942	53,194	122,118	20,626	123,759	20,660
\$25,000 under \$50,000	294,501	484,739	114,151	299,010	6,467	97,705	253,036	83,166	253,036	83,106
\$50,000 under \$75,000	344,412	524,319	104,574	248,945	6,948	117,022	315,625	175,611	316,257	175,377
\$75,000 under \$100,000	293,601	490,475	90,312	226,594	5,374	103,366	269,124	179,931	269,124	179,691
\$100,000 under \$200,000	625,545	1,643,005	159,168	787,976	15,624	345,509	599,061	678,481	599,187	678,387
\$200,000 under \$500,000	502,581	3,599,801	108,710	1,372,033	18,376	465,521	486,012	1,871,273	486,046	1,873,287
\$500,000 under \$1,000,000	184,245	2,297,885	34,817	747,825	5,937	185,256	178,691	1,409,576	178,734	1,409,655
\$1,000,000 under \$1,500,000	60,170	1,228,982	11,298	387,943	1,837	61,295	58,278	734,497	58,337	734,501
\$1,500,000 under \$2,000,000	29,150	703,420	5,398	179,794	815	24,305	28,256	491,405	28,264	491,682
\$2,000,000 under \$5,000,000	50,724	2,124,602	9,439	532,376	1,210	45,573	48,994	1,461,534	49,003	1,461,184
\$5,000,000 under \$10,000,000	15,173	1,198,934	2,794	262,810	292	14,263	14,571	838,374	14,579	837,491
\$10,000,000 or more	11,464	3,451,661	2,511	522,397	225	14,961	10,975	2,734,908	10,978	2,735,884

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

[1] Not all taxpayers with a foreign tax credit file the Form 1116. Taxpayers with \$300 (\$600 if married filing a joint return) or less in creditable foreign taxes who also meet certain other conditions are not required to file Form 1116 to claim the foreign tax credit.

[2] Amount reported on Form 1040 is the total amount of foreign-earned income exclusion after subtracting deductions allocable to excluded income.

[3] Worldwide income is total income or loss reported on Form 1040 before the foreign-earned income and housing exclusions have been taken.

[4] Adjustments include allocation of foreign losses, recapture of prior-year foreign losses, and recharacterization of income.

[5] Adjustments include reductions for participation in unsanctioned international boycotts and increases permitted by tax treaties between the United States and certain foreign countries.

[6] Less than \$500.

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

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 4. Individual Income Tax Returns With Form 1116: Foreign-Source Income, Deductions, and Taxes, by Country or Region, Tax Year 2006

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

Country or region	Number of returns	Foreign-source gross income	Foreign-source deductions and losses	Foreign-source taxable income before adjustments [1]	Foreign taxes paid or accrued on:				
					Total	Dividends	Rents and royalties	Interest	Other income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All geographic areas	2,941,952	119,963,255	41,280,524	78,682,731	13,885,215	1,483,281	151,912	72,968	12,177,054
North America, total	257,726	12,133,130	4,152,170	7,980,960	2,034,525	161,536	47,129	19,809	1,806,052
Canada	240,191	9,966,174	3,187,674	6,778,501	1,773,465	153,926	40,780	19,454	1,559,306
Greenland	* 4	* 7	* [2]	* 7	* 1	* 1	0	0	* [2]
Mexico	17,531	2,166,948	964,496	1,202,452	261,059	7,609	6,349	355	246,746
Latin/South America, total	17,359	4,330,765	2,360,572	1,970,193	286,178	26,061	6,566	1,021	252,530
Argentina	2,897	130,006	20,372	109,634	32,942	2,139	* 5,689	* 227	24,887
Brazil	7,262	453,292	130,975	322,318	77,618	766	273	714	75,865
Chile	1,268	60,326	9,818	50,509	16,843	346	* 114	0	16,383
Colombia	1,244	3,213,772	2,065,379	1,148,393	82,923	448	* 133	* 24	82,317
Costa Rica	294	41,981	16,850	25,131	4,546	* 552	0	* 29	3,965
Panama	353	72,329	42,920	29,409	6,347	* 296	* 150	0	5,901
Peru	530	59,002	4,260	54,742	11,901	* 1308	* 19	* 26	10,548
Venezuela	831	173,743	17,611	156,132	44,825	19,365	* 73	0	25,387
Other Latin/South American countries	2,679	126,311	52,389	73,924	8,233	842	115	0	7,276
Caribbean, total	6,816	612,320	164,730	447,589	84,644	2,075	* 189	* 6	82,375
Bahamas	42	4,725	58	4,667	* 2	* 2	0	0	* [2]
Bermuda	2,346	117,443	13,896	103,546	3,554	* 444	0	0	3,110
Cayman Islands	354	21,546	8,468	13,078	39	* 17	0	0	* 22
Dominican Republic	622	94,704	30,108	64,596	5,656	* 1,101	0	0	4,555
Other Caribbean countries	3,452	373,903	112,201	261,703	75,393	510	* 189	* 5	74,686
Europe, total	357,218	24,809,573	6,420,816	18,388,757	5,424,521	268,650	54,105	29,449	5,072,316
Austria	1,514	108,676	53,620	55,056	21,713	3,166	* 103	* 69	18,374
Belgium	7,636	609,213	216,637	392,576	129,562	2,238	* 46	21	127,257
Czech Republic	378	35,310	9,665	25,645	10,410	* 1	* 194	* 7	10,208
Denmark	1,314	60,257	11,592	48,665	19,831	2,922	* 46	* [2]	16,863
Finland	22,310	79,394	16,257	63,137	16,561	3,245	* 61	* 1	13,252
France	40,449	1,380,999	320,524	1,060,474	238,016	26,492	2,780	1,140	207,603
Germany	42,450	3,742,259	1,706,669	2,035,590	760,185	22,543	9,460	2,745	725,437
Greece	2,212	78,457	19,286	59,171	13,074	* 21	* 172	* 295	12,586
Hungary	297	73,176	40,074	33,102	12,976	* 2,086	0	* 3	10,887
Ireland	1,256	322,871	132,808	190,064	56,474	172	* 266	233	55,802
Italy	4,864	498,431	149,486	348,945	137,846	15,939	21,167	443	100,297
Luxembourg	2,201	125,069	8,533	116,535	21,240	8,645	0	* 11	12,583
Netherlands	34,067	1,195,084	140,691	1,054,393	169,864	25,513	* 11	521	143,819
Norway	4,771	166,109	10,539	155,570	55,153	634	* 60	* 82	54,377
Poland	578	61,172	18,534	42,638	12,682	1,753	* 21	* 19	10,888
Portugal	1,859	80,430	6,345	74,085	17,001	117	* 30	* 4	16,850
Russia	3,276	910,743	96,114	814,629	118,708	8,223	* 590	* 160	109,735
Spain	3,890	222,260	40,634	181,626	50,566	996	* 1,875	119	47,575
Sweden	8,630	199,304	48,497	150,807	53,008	3,486	* 154	206	49,162
Switzerland	23,503	1,368,880	181,461	1,187,419	389,267	72,768	* 1,846	4,357	310,296
Turkey	897	155,930	17,359	138,572	36,121	2,021	* 10,065	* 8	24,028
United Kingdom	127,572	11,940,245	2,707,693	9,232,552	3,046,948	58,048	5,115	16,411	2,967,373
Other European countries	21,295	1,395,304	467,798	927,509	37,316	7,620	41	2,594	27,065
Africa, total	5,272	680,565	175,845	504,720	113,606	1,019	* 2	* 538	112,046
Algeria	159	14,379	1,608	12,771	2,310	* 12	0	0	2,299
Angola	789	185,554	62,530	123,024	20,997	* 1	0	0	20,996
Egypt	288	47,575	2,297	45,278	8,069	* 3	0	0	8,066
Kenya	75	* 11,991	864	11,127	* 2,744	0	0	0	2,744
Nigeria	811	158,975	45,573	113,401	18,918	* 7	0	0	18,910
South Africa	719	114,653	33,916	80,736	27,491	* 799	* 2	* 499	26,191
Other African countries	2,431	147,437	29,058	118,380	33,074	196	* [2]	* 39	32,839

Footnotes at end of table.

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 4. Individual Income Tax Returns With Form 1116: Foreign-Source Income, Deductions, and Taxes, by Country or Region, Tax Year 2006—Continued

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

Country or region	Number of returns	Foreign-source gross income	Foreign-source deductions and losses	Foreign-source taxable income before adjustments [1]	Foreign taxes paid or accrued on:				
					Total	Dividends	Rents and royalties	Interest	Other income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Asia, total	135,617	11,696,581	1,497,691	10,198,890	2,348,346	66,575	10,239	5,667	2,265,865
Afghanistan	205	10,554	1,927	8,627	* 168	* 2	0	0	* 167
China	15,217	1,578,847	228,612	1,350,235	469,638	5,812	* 408	58	463,361
Hong Kong	8,344	1,583,595	173,280	1,410,315	270,900	2,489	285	* 3	268,123
India	17,422	2,153,847	56,207	2,097,640	126,843	1,078	845	960	123,959
Indonesia	1,787	306,379	16,988	289,391	93,560	83	* 82	* 1	93,394
Iraq	230	19,780	2,859	16,920	* 244	* [2]	0	0	* 244
Israel	11,497	461,682	49,935	411,747	158,240	9,459	1,390	1,243	146,148
Japan	48,274	2,596,680	449,071	2,147,609	658,674	21,476	5,885	2,221	629,092
Malaysia	1,172	129,392	24,794	104,598	33,033	* 52	* 51	0	32,930
Philippines	2,090	140,880	30,080	110,799	23,308	3,274	0	* 21	20,013
Saudi Arabia	1,050	99,136	8,058	91,077	369	* 140	0	* [2]	* 229
Singapore	4,762	804,773	90,497	714,275	144,495	2,124	207	* 16	142,148
South Korea	6,117	552,378	83,628	468,750	107,891	4,327	* 327	974	102,263
Taiwan	7,436	465,537	166,766	298,771	100,259	13,575	508	138	86,037
Thailand	2,679	258,187	26,121	232,066	88,502	1,461	0	28	87,013
United Arab Emirates	497	54,488	4,869	49,619	841	* 12	0	0	* 829
Other Asian countries	6,837	480,446	83,998	396,450	71,384	1,210	250	4	69,918
Oceania, total	17,145	1,196,689	303,656	893,032	255,492	21,960	5,005	6,602	221,926
Australia	12,492	1,004,632	271,017	733,615	232,008	20,530	4,684	3,044	203,749
New Zealand	3,427	166,115	30,540	135,575	20,794	1,262	* 320	3,555	15,656
Other Oceania countries	1,225	25,941	2,099	23,841	2,689	167	0	* 2	2,520
U.S. Possessions, total	34,964	1,442,788	397,177	1,045,612	157,900	9,844	* 1,707	* 818	145,532
Puerto Rico	32,565	1,321,106	320,292	1,000,814	146,568	9,801	* 1,707	* 818	134,243
Other U.S. Possessions	2,399	121,681	76,885	44,797	11,331	* 43	0	0	11,288
Country not stated	2,624,121	62,512,967	25,739,129	36,773,838	3,167,196	916,528	26,351	9,058	2,215,260
FSC distributions [3]	2,708	139,035	2,458	136,577	1,757	271	0	0	* 1,486
IC-DISC dividends [4]	57,725	406,183	65,100	341,083	11,049	8,763	* 620	* [2]	1,667

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

[1] Adjustments include allocation of foreign losses, recapture of prior-year foreign losses, and recharacterization of income.

[2] Less than \$500.

[3] FSCs are Foreign Sales Corporations.

[4] IC-DISCs are Interest-Charge Domestic International Sales Corporations.

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

Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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Table 5. Individual Income Tax Returns With Form 1116: Foreign-Source Income, Deductions, and Taxes, by Type of Income, Tax Year 2006

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

Type of income	Number of returns [1]	Foreign-source gross income		Foreign-source deductions and losses		Foreign-source taxable income before adjustments [2]	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns	2,941,952	2,789,011	119,963,255	2,565,086	41,280,524	2,789,903	78,682,731
Passive income	1,967,274	1,858,376	36,504,530	1,696,255	9,395,073	1,857,093	27,109,457
High withholding tax interest	42,601	40,767	563,758	37,189	177,919	40,929	385,840
Financial services income	38,146	34,906	1,871,501	30,227	1,063,251	34,906	808,251
Shipping income	191	180	99,787	179	75,642	180	24,146
Dividends from an IC-DISC [3]	57,725	51,283	406,183	39,349	65,100	51,283	341,083
Distributions from a FSC [4]	2,708	2,658	139,035	589	2,458	2,658	136,577
Lump-sum distributions	899	* 77	* 2,119	* 75	* 251	* 77	* 1,868
Section 901(j) income	* 953	* 953	* 6,898	* 950	* 1,019	* 953	* 5,880
Certain income re-sourced by treaty	4,297	4,192	253,009	4,059	39,542	4,195	213,467
General limitation income	968,652	910,072	80,116,433	864,415	30,460,270	914,007	49,656,163

Type of income	Foreign taxes paid or accrued on:							
	Total		Dividends		Rents and royalties		Interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All returns	2,648,572	13,885,215	2,178,672	1,483,281	22,503	151,912	63,824	72,968
Passive income	1,756,665	2,320,505	1,587,459	1,057,729	16,387	80,605	47,114	47,378
High withholding tax interest	34,433	30,069	21,391	5,828	* 33	* 44	6,654	3,953
Financial services income	34,424	150,173	27,949	7,068	* 9	* 753	* 55	* 107
Shipping income	177	1,771	* 14	* 61	0	0	0	0
Dividends from an IC-DISC [3]	48,945	11,049	42,681	8,763	* 699	* 620	* 3	* [6]
Distributions from a FSC [4]	1,586	1,757	1,539	271	0	0	0	0
Lump-sum distributions	739	3,108	* 699	* 90	0	0	0	0
Section 901(j) income	* 940	* 241	* 937	* 28	0	0	0	0
Certain income re-sourced by treaty	3,422	55,441	948	2,727	0	0	51	128
General limitation income	855,001	11,311,101	508,719	400,717	5,383	69,890	10,182	21,401

Type of income	Foreign taxes paid or accrued on:				Foreign taxes available for credit	Gross foreign tax credit [5]	
	Other income					Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	(20)	(21)	
	(16)	(17)	(18)	(19)			
All returns	596,446	12,177,054	2,812,276	18,134,570	2,457,685	10,681,401	
Passive income	227,296	1,134,794	1,864,361	3,487,919	1,608,212	1,969,076	
High withholding tax interest	6,944	20,245	36,954	38,102	32,709	24,504	
Financial services income	7,232	142,245	36,494	164,541	31,492	134,957	
Shipping income	163	1,710	189	10,195	156	1,127	
Dividends from an IC-DISC [3]	5,680	1,667	52,380	12,621	46,088	6,907	
Distributions from a FSC [4]	* 50	* 1,486	1,596	1,917	1,503	1,101	
Lump-sum distributions	* 40	* 3,018	753	3,241	* 360	* 909	
Section 901(j) income	* 3	* 213	* 940	* 231	0	0	
Certain income re-sourced by treaty	2,471	52,586	4,132	85,648	3,281	39,574	
General limitation income	369,593	10,819,092	923,728	14,330,155	819,683	8,503,246	

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

[1] Taxpayers may report more than one type of foreign-source income on a return. Consequently, the number of returns by type of income do not add to total.

[2] Adjustments include allocation of foreign losses, recapture of prior-year foreign losses, and recharacterization of income.

[3] IC-DISCs are Interest-Charge Domestic International Sales Corporations.

[4] FSCs are Foreign Sales Corporations.

[5] This is before adjustments. Adjustments include reductions for participation in unsanctioned international boycotts and increases permitted by tax treaties between the United States and certain foreign countries.

[6] Less than \$500.

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